



## SHEMAROO ENTERTAINMENT LIMITED

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 on December 23, 2005, with the name Shemaroo Holdings Private Limited. Subsequently, pursuant to a Scheme of Arrangement approved by the Hon'ble High Court of Bombay vide its order dated March 7, 2008 and by the special resolution of our shareholders dated May 28, 2008, the name of our Company was changed to Shemaroo Entertainment Private Limited and a fresh certificate of incorporation was granted to our Company on June 3, 2008, by the RoC. Thereafter, pursuant to a special resolution of our shareholders dated March 26, 2011, our Company was converted to a public limited company and a fresh certificate of incorporation consequent to the change of status was granted on April 1, 2011, by the RoC. For further details in connection with changes in the name and registered office of our Company, see the section titled "History and Certain Corporate Matters" on page 134 of this Prospectus.

**Registered and Corporate Office:** Shemaroo House, Plot No.18, Marol Co-operative Industrial Estate, Off Andheri Kurla Road, Andheri East, Mumbai- 400059

**Telephone:** +91 22 4031 9911; **Facsimile:** +91 22 28519770

**Contact Person and Compliance Officer:** Mr. Ankit Singh, Company Secretary; **Telephone:** +91 22 4031 9911; **Facsimile:** +91 22 40319794

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### PROMOTERS OF OUR COMPANY: MR. RAMAN MAROO AND MR. ATUL MARU

**PUBLIC ISSUE OF 7,333,332 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF SHEMAROO ENTERTAINMENT LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 170\* PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 160 PER EQUITY SHARE, AGGREGATING TO ₹ 12,000 LAKHS, ("ISSUE"). A DISCOUNT OF 10% TO THE ISSUE PRICE, I.E. ₹ 17 PER EQUITY SHARE HAS BEEN OFFERED TO RETAIL INDIVIDUAL BIDDERS (THE "RETAIL DISCOUNT"). THE ISSUE SHALL CONSTITUTE 26.98% OF THE FULLY DILUTED POST-ISSUE PAID UP CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE ISSUE PRICE IS ₹ 170\* PER EQUITY SHARE AND IS 17.0 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.**

*\*Retail Discount of ₹ 17 per Equity Share has been offered to Retail Individual Bidders.*

In case of any revision in the Price Band, the Bidding Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the National Stock Exchange of India Limited, ("NSE"), and the BSE Limited, ("BSE"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Managers and at the terminals of the other members of the Syndicate, by intimation to the Self Certified Syndicate Banks, ("SCSBs") and the Registered Brokers.

The Issue is being made through the Book Building Process in accordance with Rule 19(2)(b)(i) of the Securities Contracts Regulation Rules, 1957, as amended, ("SCRR"), read with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, ("SEBI Regulations"), wherein 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"). Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 70,591 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to QIBs in proportion to their Bids. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders, in accordance with SEBI Regulations, subject to valid Bids being received from them at or above the Issue Price. All Investors other than Anchor Investors may participate in this Issue though the Application Supported by Blocked Amount ("ASBA") process by providing the details of their respective ASBA Accounts. QIBs (other than Anchor Investors) and Non-Institutional Bidders shall mandatorily participate in the Issue through the ASBA process. Specific attention is invited to the section titled "Issue Procedure" beginning on page 344 of this Prospectus.

### RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Issuer, there is no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 17.0 times of the face value. The Issue Price (as determined and justified by our Company in consultation with the Book Running Lead Managers, as stated in the section titled "Basis for Issue Price" on page 87 of this Prospectus, should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India, ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 15 of this Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect.

### LISTING ARRANGEMENT

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the NSE and the BSE. Our Company has received in-principle approvals from the NSE and the BSE for listing of the Equity Shares pursuant to their letters dated September 18, 2013 and September 11, 2013, respectively. For the purposes of this Issue, the BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
<p><b>YES Bank Limited</b> YES Bank Tower, IFC 2, 18th Floor Elphinstone (W), Senapati Bapat Marg Mumbai - 400013 Telephone: +91 22 3366 9000 Facsimile: +91 22 2421 4508 Email Id: dlsheमारooipo@yesbank.in Website: www.yesbank.in Investor Grievance Id: merchantbanking@yesbank.in Contact Person: Mr. Ankur Singla SEBI Registration No. INM 0000 10874</p>	<p><b>ICICI Securities Limited</b> ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Telephone: +91 22 2288 2460 Facsimile: +91 22 2282 6580 Email Id: shemaroo.ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance Id: customercare@icicisecurities.com Contact Person: Ms. Payal Kulkarni SEBI Registration No.: INM000011179</p>	<p><b>Link Intime India Private Limited</b> C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai 400 078 Telephone No.: +91 22 6171 5400 Facsimile: +91 22 25960329 Email Id: shemaroo.ipo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance Id: shemaroo.ipo@linkintime.co.in Contact Person: Mr. Sachin Achar SEBI Registration No.: INR000004058</p>
BID/ISSUE PROGRAMME		
<b>BID / ISSUE OPENED ON* : SEPTEMBER 16, 2014</b>		<b>BID / ISSUE CLOSED ON : SEPTEMBER 18, 2014</b>
		<b>QIB BID / ISSUE CLOSED ON : SEPTEMBER 18, 2014</b>

\*The Anchor Investor Bidding Date was one Working Day prior to the Bid / Issue Opening Date, i.e. September 15, 2014.

A copy of this Prospectus and written consents of Bankers to our Company, Book Running Lead Managers, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), Auditor, Legal Counsel to the Issue, Directors of our Company, Advisor to our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities, have been delivered to the Registrar of Companies, Maharashtra, Mumbai, in terms of Section 26 of the Companies Act, 2013 along with the requisite endorsed/certified copies of all requisite documents. For further details please refer to the section titled "Material Contracts and Documents for Inspection" beginning on page 412 of this Prospectus.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the meanings set forth below in this Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

#### Company Related Terms

Term	Description
“Articles” or “Articles of Association” or “AoA”	The articles of association of our Company, as amended.
Auditor	The statutory auditor of our Company, being M/s M. K. Dandeker & Co, Chartered Accountants.
“Board” or “Board of Directors” or “our Board”	The board of directors of our Company, as duly constituted from time to time including any committees thereof.
Director(s)	Unless the context requires otherwise, the director(s) on our Board.
Group Companies/Group	The companies, firms, ventures, etc. promoted by our Promoters, as described in the section titled “Our Promoters and Group Companies” on pages 163 to 167 of this Prospectus, irrespective of whether such entities are covered under section 370 (1)(B) of the Companies Act, 1956 or not.
Key Managerial Personnel	The personnel listed as key managerial personnel in the section titled “Our Management” on pages 157 to 158 of this Prospectus.
Listing Agreements	Listing agreements to be entered into by our Company with the Stock Exchanges.
“Memorandum” or “Memorandum of Association” or “MoA”	The memorandum of association of our Company, as amended.
Navneet Education Limited	Formerly known as Navneet Publications (India) Limited
“our Company” or “the Company” or “the Issuer”	Shemaroo Entertainment Limited, a public limited company incorporated under the Companies Act, 1956.
Promoters	The promoters of our Company, Mr. Raman Maroo and Mr. Atul Maru.
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI Regulations and as set out in the section titled “Our Promoters and Group Companies” on pages 160 to 163 of this Prospectus.
“Scheme of Arrangement” / or the “Scheme”	The scheme under section 391 to section 394 of the Companies Act, 1956 and sanctioned by the Hon’ble High Court of Bombay vide order dated March 7, 2008 by which it approved the Demerger of the whole of entertainment business of Shemaroo Entertainment Private Limited, (“ <b>Transferor Company</b> ”), to Shemaroo Holdings Private Limited, (“ <b>Transferee Company</b> ”), and also effected the interchange of the names of the companies i.e., the name of the Transferee Company had been changed to Shemaroo Entertainment Private Limited, and the name of the Transferor Company was changed to Shemaroo Holdings Private Limited, currently our Group Company. By way of a special resolution dated March 26, 2011 Shemaroo Entertainment Private Limited was converted to a public limited company and a fresh certificate of incorporation consequent to the change of status was granted on April 1, 2011, by the RoC. Shemaroo Entertainment Limited is currently the Issuer. For further details, see the section titled “History and Certain Corporate Matters” – “Scheme of Arrangement” on pages 136 to 137 of this Prospectus.
Subsidiaries	Shemaroo Entertainment (UK) Private Limited, Shemaroo Entertainment Inc. and Shemaroo Films Private Limited.
Transferor Company	Shemaroo Entertainment Private Limited which is now Shemaroo Holdings Private Limited or our Group Company.

<b>Term</b>	<b>Description</b>
Transferee Company	Shemaroo Holdings Private Limited which is now Shemaroo Entertainment Limited or our Company.
“We” or “us” or “our”	Our Company, and where the context requires, our Company, our Subsidiaries or the entertainment business of our Group Company Shemaroo Holdings Private Limited which was transferred to our Company pursuant to the Scheme of Arrangement

#### **Issue Related Terms**

<b>Term</b>	<b>Description</b>
“Allot” or “Allotment” or “Allotted”	The allotment of Equity Shares pursuant to the Issue.
Allotment Advice	The advice or intimation of Allotment of the Equity Shares sent to the Bidders who are to be Allotted the Equity Shares after the discovery of the Issue Price in accordance with the Book Building Process.
Allottee	A successful Bidder to whom Allotment is made.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least ₹ 1,000 lakhs.
Anchor Investor Allocation Notice	Notice or intimation of allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares, and includes any device, intimation or notice sent to Anchor Investors in the event that the Issue Price is higher than the Anchor Investor Allocation Price.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and this Prospectus to the Anchor Investors, which will be decided by our Company in consultation with the BRLMs prior to the Bid Opening Date.
Anchor Investor Bidding Date	The day, one Working Day prior to the Bid/Issue Opening Date on which Bids by Anchor Investors shall be submitted, prior to or after which the members of the Syndicate will not accept any Bids from Anchor Investors and allocation to Anchor Investors shall be completed, i.e. September 15, 2014.
Anchor Investor Issue Price	The price at which Allotment will be made to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which shall be higher than or equal to the Issue Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs.
Anchor Investor Pay-in Date	With respect to Anchor Investors, it shall be the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
“ASBA” or “Application Supported by Blocked Amount”	The application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorizing the SCSB to block the Bid Amount in the specified bank account maintained with such SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Bidders participating in the Issue.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of an ASBA Bidder.
ASBA Bid(s)	A Bid made by an ASBA Bidder
ASBA Bidder	Any Bidder, other than Anchor Investors, in this Issue who Bids through ASBA.
ASBA Form	The form, whether physical or electronic, by which an ASBA Bidder can make a Bid, authorising an SCSB to block the Bid Amount in the ASBA Account maintained with such SCSB pursuant to the terms of the Red Herring Prospectus.
ASBA Revision Form	The form used by an ASBA Bidder to modify the quantity of Equity Shares or the Bid Amount in any of its ASBA Forms or previous ASBA Revision Forms (if

Term	Description
	submitted in physical form).
Basis of Allotment	The basis on which the Equity Shares will be allotted as described in the section titled “Issue Procedure” on pages 383 to 386 of this Prospectus.
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder (other than an Anchor Investor) or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of an ASBA Form or a Bid-cum-Application Form to subscribe for Equity Shares, at a price within the Price Band, including all revisions and modifications thereto, in terms of the Red Herring Prospectus and the Bid-cum-Application Form or ASBA Form, as the case may be.
Bidder	A prospective investor in this Issue, and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor.
Bidding	The process of making a Bid.
Bid Amount	The highest value of optimal Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut-Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form. The Bid amount payable by the Retail Individual Bidders at the time of Bidding would be net of the Retail Discount.
Bidding Centres	Centres for acceptance of the Bid-cum-Application Forms and Revision Forms and shall include Registered Broker Centres.
Bid cum Application Form	The form including the ASBA Form where the context so requires, in terms of which a Bidder makes a Bid in terms of the Red Herring Prospectus and this Prospectus which will be considered as an application for Allotment.
Bid/Issue Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate, the SCSBs and the Registered Brokers will not accept any Bids, and which shall be notified in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations. Further, our Company, in consultation with the BRLMs, may decide to close Bidding by QIBs one Working Day prior to the Bid Closing Date.
Bid/Issue Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate, the SCSBs and the Registered Brokers shall start accepting Bids, and which shall be the date notified in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation.
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date or the QIB Bid/Issue Closing Date, as the case may be (in either case inclusive of such date and the Bid Opening Date) during which Bidders, other than Anchor Investors, can submit their Bids.
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI Regulations.
“Book Running Lead Managers” or “BRLMs”	Book running lead managers to this Issue, being YES Bank Limited and ICICI Securities Limited.
CAN/Confirmation of Allotment Note	In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof.
Cap Price	The higher end of the Price Band, in this case being ₹ 170, and any revisions thereof, above which the Issue Price will not be finalised and above which no Bids will be accepted. The Cap Price for Retail Individual Bidders at the time of Bidding would be net of the Retail Discount.
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue by the ASBA Bidders with BRLMs, the Registrar to the Issue and the Stock Exchanges and a list of which is available at

Term	Description
	<a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a> or at such other website as may be prescribed by SEBI from time to time.
Cut-Off Price	Any price within the Price Band determined by our Company in consultation with the BRLMs as the Issue Price, at which only the Retail Individual Bidders are entitled to Bid, for Equity Shares of an amount not exceeding ₹ 2,00,000. The Cut-Off Price for Retail Individual Bidders at the time of Bidding would be net of the Retail Discount.
Demographic Details	The address, the bank account details, MICR code and occupation of a Bidder
Depository	A depository registered with the SEBI under the Depositories Act, 1996.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
“Depository Participant” or “DP”	A depository participant registered with the SEBI under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the ASBA Bidders to the Public Issue Account, as the case may be.
“Designated Stock Exchange” or “DSE”	BSE.
“Draft Red Herring Prospectus” or “DRHP”	The draft red herring prospectus dated July 4, 2013 filed with SEBI, prepared and issued by our Company in accordance with the SEBI Regulations.
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid on the basis of the terms thereof.
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.
Escrow Account(s)	Accounts opened for this Issue to which cheques or drafts are issued by Bidders (excluding ASBA Bidders) in respect of the Bid Amount.
Escrow Agreement	The agreement dated September 2, 2014 entered into among our Company, the Registrar to the Issue, the Escrow Collection Banks, the Refund Banker(s), the BRLMs and the Syndicate Members for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Banks/Bankers to the Issue	The banks which are clearing members and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994, with whom the Escrow Account(s) will be opened and, in this case being YES Bank Limited, ICICI Bank Limited and HDFC Bank Limited.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Form or the ASBA Revision Form.
Floor Price	The lower end of the Price Band below which no Bids will be accepted, in this case being ₹ 155, and any revisions thereof. The Floor Price for Retail Individual Bidders at the time of Bidding would be net of the Retail Discount.
Issue	Public issue of 7,333,332 Equity Shares of Face Value of ₹ 10 each at the Issue Price aggregating to ₹ 12,000 lakhs
Issue Agreement	The agreement entered into on July 4, 2013 between our Company and the BRLMs.
Issue Price	The price at which Allotment will be made, as determined by our Company in consultation with the BRLMs. Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors other than Anchor Investors. A discount of 10% to the Issue Price is being offered to Retail Individual Bidders.
Listing Agreements	Listing agreement to be entered into by our Company with each of the Stock Exchanges.
Mutual Fund Portion	5% of the Net QIB Portion or 70,591 Equity Shares available for allocation to Mutual Funds only.

<b>Term</b>	<b>Description</b>
Net Proceeds	Proceeds from the Issue after deduction of Issue expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders	All Bidders (including sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals but not including NRIs other than Eligible NRIs) who are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than ₹ 2,00,000.
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of 1,058,823 Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis.
Pay-in Period	The period commencing on the Bid/Issue Opening Date and extending until the closure of the Anchor Investor Pay-in Date.
Price Band	The price band with minimum price being ₹ 155 per Equity Share (Floor Price) and the maximum price ₹ 170 per Equity Share (Cap Price), including any revisions thereof and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation in the place where our Registered Office is situated, at least five Working Days prior to the Bid/Issue Opening Date.
Pricing Date	The date on which the Issue Price is decided by our Company in consultation with the BRLMs.
Prospectus	This prospectus dated September 24, 2014 of our Company filed with the RoC for this Issue after the Pricing Date, in accordance with Section 26 of the Companies Act, 2013 and the SEBI Regulations, containing amongst other things, the Issue Price as determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	The bank account opened with the Escrow Collection Banks by our Company under Section 40 of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
“QFIs” or “Qualified Foreign Investors”	<p>Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet ‘know your client’ requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organization of Securities Commission’s Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.</p> <p>Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; and (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.</p> <p>Provided that such non-resident investor has opened a dematerialized account with a qualified depository participant as a qualified foreign investor</p>
“QIBs” or “Qualified Institutional Buyers”	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
QIB Bid/Issue Closing Date	In the event our Company, in consultation with the BRLMs, decides to close Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date, the date one Working Day prior to the Bid/Issue Closing Date; otherwise it shall be the same as the Bid/Issue Closing Date.
“QIB Category” or “QIB	The portion of the Issue being 50% of the Issue or 3,529,411 Equity Shares

Term	Description
Portion”	available for allocation to QIBs (including the Anchor Investor Portion), on a proportionate basis.
“Red Herring Prospectus” or “RHP”	The red herring prospectus dated September 2, 2014 issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI Regulations, which does not contain, <i>inter-alia</i> , complete particulars of the price at which Equity Shares are offered.
Refund Account(s)	The account(s) opened by our Company with the Refund Bank(s), from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made.
Refund Bank(s)	The banks which are clearing members and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 with whom the Refund Account(s) will be opened, in this case being HDFC Bank Limited.
Registered Broker(s)	Broker(s) registered with the stock exchanges having its office at any of the Registered Broker Centres and shall not include Syndicate and sub-Syndicate members.
Registered Broker Centres	Broker centres as notified by the Stock Exchanges, where Bidders can submit the Bid-cum-Application Forms to a Registered Broker. The details of such broker centres are available on the websites of BSE and NSE at <a href="http://www.bseindia.com/">http://www.bseindia.com/</a> and <a href="http://www.nseindia.com/">http://www.nseindia.com/</a> , respectively.
Refunds through electronic transfer of funds	Refunds through NECS, NEFT, direct credit or RTGS, as applicable.
“Registrar” or “Registrar to the Issue”	Link Intime India Private Limited
Retail Discount	A discount of 10% to the Issue Price, i.e. ₹ 17 per Equity Share has been offered to Retail Individual Bidders at the time of Bidding. The Price Band, the minimum bid lot and the Retail Discount was decided by our Company in consultation with the Book Running Lead Managers and was advertised at least five Working Days prior to the Bid/Issue Opening Date.
Retail Individual Bidders	Individual Bidders (including HUFs and Eligible NRIs), who have Bid for an amount less than or equal to ₹ 2,00,000 in any of the bidding options in the Issue. The Retail Discount has been offered to Retail Individual Bidders at the time of Bidding.
Retail Portion	The portion of the Issue being not less than 35% of the Issue, consisting of 2,745,098 Equity Shares, available for allocation to Retail Individual Bidders in accordance with SEBI Regulations.
Revision Form	The form used by the Bidders, other than ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.
Self Certified Syndicate Banks or SCSBs	The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is available on the SEBI website at the link <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> , and at such other websites as may be prescribed by SEBI from time to time. For details of the Designated Branches with which ASBA Forms can be physically submitted, please refer to the above-mentioned link.
Stock Exchanges	The BSE and the NSE.
Syndicate	The BRLMs and the Syndicate Members.
Syndicate Agreement	The agreement dated September 2, 2014 entered into between our Company and members of the Syndicate, in relation to the collection of Bids (excluding Bids from the ASBA Bidders).
Syndicate ASBA	A Bid submitted by an ASBA Bidder through the members of the Syndicate or their respective sub-Syndicate members at the Syndicate ASBA Centres instead of the Designated Branches.
Syndicate ASBA Centre	The bidding centres of the members of the Syndicate or their respective sub-Syndicate located at the locations of the Registered Brokers and such other centres



<b>Term</b>	<b>Description</b>
	as may be prescribed by SEBI from time to time, wherein, pursuant to the SEBI circular dated January 23, 2013 bearing no. CIR/CFD/DIL/4/2013, ASBA Bidders are permitted to submit their Bids in physical form.
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, in this case being YES Bank Limited and ICICI Securities Limited, i.e. the BRLMs.
“Transaction Registration Slip” or “TRS”	The slip or document issued by any of the members of the Syndicate, or the SCSBs or the Registered Brokers, as the case may be, to a Bidder upon demand as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The agreement dated September 23, 2014 entered into between the Underwriters and our Company.
Working Days	Any day other than Saturday or Sunday on which commercial banks in Mumbai are open for business, provided however, for the purposes of the time period between Bid/Issue Closing Date and listing, “Working Days” shall mean all days other than Sundays and bank holidays, in accordance with the SEBI circular dated April 22, 2010.

#### **Conventional/General Terms, Abbreviations and Reference to other business entities**

<b>Abbreviation</b>	<b>Full Form</b>
ACIT	Assistant Commissioner of Income Tax.
AIFs	Alternative Investment Funds as defined and registered with SEBI under the AIF Regulations.
AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended.
AGM	Annual General Meeting.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment Year.
BAN	Beneficiary Account Number.
BSE	BSE Limited.
Category I Foreign Portfolio Investors	FPIs who are registered as “Category I foreign portfolio investors” under the FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as “Category II foreign portfolio investors” under the FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as “Category III foreign portfolio investors” under the FPI Regulations
CDSL	Central Depository Services (India) Limited.
CIT(A)	Commissioner of Income Tax (Appeals).
Companies Act	The Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 1956	The Companies Act, 1956, as amended.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections
CST Act	Central Sales Tax Act, 1956, as amended.
DCIT	Deputy Commissioner of Income Tax.
DIN	Directors Identification Number.
DP ID	Depository Participant’s Identity.
EGM	Extra ordinary General Meeting.
EPS	Earnings Per Share.
“Euro” or “€”	The single currency of the participating member states in the third stage of the European Economic and Monetary Union of the Treaty establishing the European

Abbreviation	Full Form
	Community, as amended.
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999, as amended, together with rules and regulations framed thereunder.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FIs	Financial Institutions
FII	Foreign Institutional Investors, as defined under the FII Regulations and registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIPB	Foreign Investment Promotion Board.
“Fiscal” or “Financial Year” or “FY”	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FPI	Foreign Portfolio Investors, as defined under the FPI Regulations and registered with SEBI under applicable laws in India.
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended.
FVCI	Foreign venture capital investor registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
“GBP” or “£”	Pound Sterling.
“GoI” or “Government of India” or “Central Government”	The Government of India.
HUF	Hindu Undivided Family.
IEC	Importer-Exporter Code.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
IPO	Initial Public Offer.
IRDA	Insurance Regulatory and Development Authority.
IT	Information Technology.
ITAT	Income Tax Appellate Tribunal.
IT Act	Income Tax Act, 1961, as amended.
IT Department	Income Tax Department, GoI.
“Limited Liability Partnership” or “LLP”	Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008.
Ltd.	Limited.
LTMLR	Long Term Minimum Lending Rate
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A.	Not Applicable.
NAV	Net Asset Value.
NECS	National Electronic Clearing System.
NEFT	National Electronic Funds Transfer.
NIF	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India.
No.	Number.
NOC	No-objection Certificate.
Notified Sections	The sections of the Companies Act, 2013 that were notified on September 12, 2013, February 27, 2014 and March 26, 2014.
NRE Account	Non-Resident External Account.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of

Abbreviation	Full Form
	India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-Resident Ordinary Account.
“NR” or “Non Resident”	A person resident outside India, as defined under FEMA, including an Eligible NRI, a FII, a FPI and a QFI.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
NSE MIBOR	NSE Mumbai Inter-Bank Offer Rate
OCBs	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
p.a.	Per annum.
PAN	Permanent Account Number allotted under the IT Act.
PAT	Profit After Tax.
PCB	Pollution Control Board.
P/E Ratio	Price/Earnings Ratio.
PLR	Prime Lending Rate.
P.O.	Post Office.
Pvt.	Private.
RBI	Reserve Bank of India.
R&D	Research and Development.
“RoC” or “Registrar of Companies”	Registrar of Companies, Mumbai, Maharashtra
“₹” or “Rupees” or “Rs.”	Indian Rupees.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	The Securities and Exchange Board of India established under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Securities Act	Securities Act of 1933.
SIA	Secretariat for Industrial Assistance.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
Sq. ft.	Square foot.
Sq. mt.	Square metre.
State government	The government of a state of Republic of India.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
TAN	Tax deduction account number allotted under the IT Act.
“U.K.” or “UK” or “United Kingdom”	The United Kingdom of Great Britain and Northern Ireland, together with its territories and possessions.
“U.S.” or “US” or “U.S.A” or “United States”	The United States of America, together with its territories and possessions.
USD/ US\$/U.S.\$	United States Dollars.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America.
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities

Abbreviation	Full Form
	and Exchange Board of India (Venture Capital Fund) Regulations, 1996.
VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended.

#### Industry/ Business Related Terms, Definitions and Abbreviations

Term	Description
2D	Two Dimensional.
3D	Three Dimensional.
2G	Second Generation mobile telephony services.
3G	Third Generation mobile telephony services.
Aggregation Rights	Titles over which we have limited ownership rights.
ARPU	Average Revenue Per User.
BWA	Broadband wireless access.
BRIC	Brazil, Russia, India and China.
C&S	Cable and Satellite.
CAGR	Compounded Annual Growth Rate.
CD	Compact Disc.
Content Library	Titles where we have Perpetual Rights or Aggregation Rights.
DTH	Direct to Home.
DVD	Digital Versatile Disc.
G7	Canada, France, Germany, Italy, Japan, United Kingdom, and United States.
GDP	Gross Domestic Product.
GEC	General Entertainment Channels.
GPRS	General Packet Radio Service.
HD	High Definition.
HH	Households.
HITS	Head-end in the sky.
IPL	Indian Premier League.
IPTV	Internet Protocol Television.
ISP	Internet Service Providers.
IVR	Interactive Voice Response.
L&M	License and Merchandising.
M&E	Media and Entertainment.
MPDA	Maharashtra Prevention of Dangerous Activities Act.
MVAS	Mobile Value Added Services.
NAS	Network Attached Storage.
New Media	New media refers to consumption of content through emerging digital platforms that are interactive with and networkable by the end user. Examples of these technologies include mobile, internet, and other emerging communication technology platforms.
OOH	Out Of Home Media.
Perpetual Rights	Titles over which we have complete ownership rights.
PC	Personal Computer.
PPV	Pay Per View.
SAN	Storage Area Network.
SD	Standard Definition.
SMS	Short Message Service.
STB	Set Top Box.
TV	Television.
TRAI	Telecom Regulatory Authority of India.
TRP	Target Rating Point.
VAS	Value Added Service.

<b>Term</b>	<b>Description</b>
VCD	Video Compact Disc.
VHS	Video Home Systems.
VSAT	Very Small Aperture Terminal.

The words and expressions used in this Prospectus but not defined herein shall have the same meaning as is assigned to such words and expressions under the SEBI Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in the sections titled “Main Provisions of the Articles of Association”, “Statement of Tax Benefits” and “Financial Statements” beginning on pages 393, 90 and 170 of this Prospectus, respectively, have the meanings given to such terms in these respective sections.

## CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

All references to “Rupees” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “U.S. Dollars” or “USD” are to United States Dollars, the official currency of the United States of America. All references to “Euro” or “€” or “EUR” are to the Euro, the single currency of the participating member states in the third stage of the European Economic and Monetary Union of the Treaty establishing the European Community, as amended. All references to “Pound” or “GBP” or “£” are to the Pound Sterling, the official currency of Great Britain.

The exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, in the sections titled “Risk Factors”, “Objects of the Issue” and “History and Certain Corporate Matters- Subsidiaries of our Company” have been taken as follows:

Currency	Exchange Rate (in ₹) for the Fiscal Year ended				
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
<b>Closing Rate*</b>					
USD	59.65**	54.33**	51.15	44.65	45.14
GBP	99.21**	82.72**	81.80	71.93	68.03
<b>Average Rate***</b>					
USD	60.94	54.52	48.11	45.59	47.36
GBP	97.30	86.17	76.98	71.20	75.69

\* Taken based on last working day of the respective Financial Year

\*\*For FY 13 and 14, Closing Rate is taken as of April 2, since the last working day for these Financial Years was a holiday, the rate of the next working day has been taken

\*\*\*Average rate has been calculated based on closing rate as on the last working day of all the months in the respective Financial Year(s)

Source: [www.rbi.org.in](http://www.rbi.org.in)

### Financial Data

Unless stated otherwise, the financial information in this Prospectus is derived from our audited and restated standalone financial statements as of and for the Financial Years ended March 31, 2010, 2011, 2012, 2013 and 2014 and our audited and restated consolidated financial statements as of and for the Financial Years ended March 31, 2010, 2011, 2012, 2013 and 2014 and the related notes, schedules and annexures thereto included elsewhere in this Prospectus, which have been prepared in accordance with the Companies Act, 1956 and Indian GAAP and restated in accordance with the SEBI Regulations.

Our Company’s Financial Year ends on March 31 of each year. Accordingly, all references to a particular fiscal are to the 12-month period ended March 31 of that year, unless otherwise specified.

All the numbers in this document have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs, unless stated otherwise. 1 lakh represents 1,00,000.

We prepare our standalone and consolidated financial statements in accordance with Indian GAAP, which differs in some respects from IFRS and U.S. GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with the Companies Act, 1956, Indian GAAP and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial

data.

In this Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

### **Market and Industry Data**

Market and industry data used in this Prospectus has generally been obtained or derived from industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that industry data used in this Prospectus is reliable, it has not been verified. Similarly, we believe that the internal company reports are reliable; however, they have not been verified by any independent sources.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the entertainment industry in India and methodologies and assumptions may vary widely among different industry sources.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward looking statements”. These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- the ability to exploit and grow our content library;
- the ability to distribute our content through various mediums which currently generate a significant portion of our revenue;
- the performance of the content distributed by us;
- intensified competition which may result in content cost escalation and restrict our ability to access content at favourable terms; and
- the ability to obtain sufficient working capital funds for content acquisition in the form of debt or equity.

For a further discussion of factors that could cause our actual results to differ, see the sections titled “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 15, 113 and 254 of this Prospectus, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Forward looking statements speak only as of the date of this Prospectus. None of our Company, our Directors, our officers, any Underwriter, or any of their respective affiliates or associates has any obligation to update or otherwise revise any statement reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the BRLMs will ensure that investors in India are informed of material developments until the commencement of listing and trading.



## SECTION II – RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in the Red Herring Prospectus and this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any, or some combination, of the following risks actually occur, our business prospects, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Any potential investor in, and/or a purchaser of, the Equity Shares should pay particular attention to the fact that we are governed, in India, by a statutory and regulatory environment which may be significantly different from that which prevails in other countries in some material respects.*

*We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the Issue, including the merits and risks involved. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue.*

*This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus.*

*Unless otherwise stated, our financial information used in this section is derived from our audited and restated consolidated financial statements, as of March 31, 2010, 2011, 2012, 2013 and 2014, under Indian GAAP.*

*References to the Company, “we”, “our” or “us” are to our Company, and where the context requires, our Company, our Subsidiaries and other entities which are consolidated in the financial statements of our Company.*

### RISKS RELATING TO THE COMPANY

#### *Internal Risk Factors*

#### **1     *There are criminal proceedings pending against our Company.***

Mr. Prem Prakash Mahajan, (the “**Complainant**”), proprietor of M/s Mahajan Video, filed a First Information Report (FIR No. 180), “**FIR**”, dated September 1, 2009, before the Office of the Assistant Commissioner of Police, IPR Section, Economic Offences Wing, Crime Branch, New Delhi, (“**ACP, Economic Offences Wing**”), against our Company and certain other parties, (“**Defendants**”), for alleged violation of sections 64/63 of the Copyright Act, 1957 and sections 420, 468 and 471 of Indian Penal Code, 1860. The Complainant has alleged that the Complainant was threatened by the Defendants for distributing certain films without obtaining a license to distribute such films. Our Company received notices dated February 22, 2010 and April 29, 2011 from the ACP, Economic Offences Wing in connection with the above. In reply to such notices, our Company has vide letters dated March 11, 2010 and May 25, 2011 clarified that our Company holds exclusive and perpetual rights over the two films specified therein. The complaint is pending hearing and final disposal.

Any adverse order or direction in the aforementioned case by the concerned authority even though not quantifiable, could have a material adverse impact on our business and reputation or cause the price of our Equity Shares to decline. For further details, see the section titled “Outstanding Litigation and Material Developments” on pages 277 to 278 of this Prospectus.

#### **2     *We, our Group Companies, our Directors, our Subsidiaries and our Promoters are party to certain legal proceedings. Any adverse decision in such proceedings may adversely affect our business prospects, results of operations and financial condition.***

We are involved in certain legal proceedings and claims. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. We can give no assurance that these legal proceedings will be decided in our favor. Further, we may also not be able to quantify all the claims in which we are involved. Any adverse decision may have a significant effect on our business prospects, results of operations and financial condition.

Certain of our Promoters and Group Companies are also currently involved in legal proceedings and claims. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should new developments arise in respect of such legal proceedings, such as a change in Indian law or rulings against such entities by courts or tribunals, our Promoters and Group Companies may face losses and may need to make provisions in their financial statements in respect of such litigation, which could adversely impact their business results. Further, if significant claims are determined against such entities and such entities are required to pay all or a portion of the disputed amounts, it could have a material adverse effect on their business and profitability. This could, in turn, indirectly have a material adverse effect on our business.

A summary of pending litigation involving us, our Group Companies, our Directors our Subsidiaries and our Promoters and the approximate amounts involved, where quantifiable, is set forth below:

***Legal proceedings filed against:***

Nature of cases/claims	Number of cases outstanding	Amount involved (₹ in lakhs)*
<b>a) Company</b>		
Criminal .....	2	Not Quantifiable
Tax Cases** .....	45	235.78
Civil.....	3	Not Quantifiable
Labour.....	NIL	NIL
Others	7	Not Quantifiable
<b>b) Subsidiaries</b>		
Criminal .....	1	0.84
Tax Cases .....	2	0.33
Civil.....	NIL	NIL
Labour.....	NIL	NIL
<b>c) Group Companies</b>		
Criminal .....	NIL	NIL
Tax Cases .....	17	47.19
Civil.....	2	Not Quantifiable
Labour.....	1	0.16
<b>d) Promoters</b>		
Criminal.....	1	Not Quantifiable
Tax Cases***.....	2	4.30
Civil.....	1	Not Quantifiable
Labour.....	NIL	NIL
<b>e) Directors</b>		
Criminal .....	1	Not Quantifiable
Tax Cases***.....	3	7.00
Civil.....	2	Not Quantifiable
Labour.....	NIL	NIL

Nature of cases/claims	Number of cases outstanding	Amount involved (₹ in lakhs)*
<b>Total amount</b>	<b>91</b>	<b>295.60</b>

\* To the extent quantifiable.

\*\* Including the liability imposed on the Company by the commissioner of customs (import) vide its order dated August 26, 2009 of an amount aggregating to ₹ 154.64 lakhs.

\*\*\* Including the liability imposed on Mr. Atul Maru by the commissioner of customs (import) vide its order dated August 26, 2009 of an amount aggregating to ₹ 3 lakhs. Further, the commissioner of customs (import) vide the aforementioned order has also imposed a liability of an amount aggregating to ₹ 3 lakhs on Mr. Dinesh Shah, a whole time employee of the Company.

**Legal proceedings filed by:**

Nature of cases/claims	Number of cases outstanding	Amount involved (₹ in lakhs)*
<b>a) Company</b>		
Criminal .....	1	10.46
Tax Cases .....	NIL	NIL
Civil** .....	5	304.88
Labour .....	NIL	NIL
<b>b) Subsidiaries</b>		
Criminal .....	NIL	NIL
Tax Cases .....	NIL	NIL
Civil.....	NIL	NIL
Labour.....	NIL	NIL
<b>c) Group Companies</b>		
Criminal .....	NIL	NIL
Tax Cases .....	NIL	NIL
Civil.....	NIL	NIL
Labour.....	NIL	NIL
<b>d) Promoters</b>		
Criminal.....	NIL	NIL
Tax Cases .....	NIL	NIL
Civil.....	NIL	NIL
Labour.....	NIL	NIL
<b>e) Directors</b>		
Criminal.....	NIL	NIL
Tax Cases .....	NIL	NIL
Civil.....	1	1,639.73
Labour.....	NIL	NIL
<b>Total amount</b>	<b>7</b>	<b>1,955.07</b>

\* To the extent quantifiable.

\*\*Including the damages claimed by Movie Tee Vee Enterprises from our Company and Mukta Arts amounting to ₹ 48.30 lakhs and the amounts due and payable to Movie Tee Vee Enterprises by our Company and Mukta Arts amounting to ₹ 66.50 lakhs.

For further details, see the section titled “Outstanding Litigations and Material Developments” beginning on page 277 of this Prospectus.

**3     *Our revenues and profitability are directly linked to the exploitation and growth of our Content Library. Any failure to source content could adversely affect our profitability and business growth.***

We earn revenues by exploiting content that we distribute through various distribution channels. Acquisition of content is an integral part of our business. Our ability to successfully acquire content depends on our ability to maintain existing relationships and form new ones, with industry participants. We believe maintaining existing relationships is key to enabling us to continue to secure content and to exploit such content in the future. While we have benefited from long-standing relationships with certain industry participants in the past, there can be no assurance that we will be able to successfully maintain these relationships and continue to have access to content through such means.

Our Content Library includes content licensed from third parties on fixed term basis. There can be no assurance that, upon expiry or termination of these arrangements, content will be available to us at all or on acceptable financial or other terms.

If any such relationship were to be adversely affected, or we are unable to form new relationships or renew these arrangements in a timely manner or at all, or our access to content otherwise deteriorates, or if any party fails to perform under its agreements or arrangements with us, it could have a material adverse effect on our business prospects, financial condition and results of operations.

**4     *The distribution of content may not generate adequate revenues to recover associated costs. This could impact our growth plans and may adversely impact our profitability.***

Currently, we distribute our content through various mediums such as (i) broadcast syndication, (ii) New Media, (iii) home entertainment, and (iv) other media. We invest significant amount of our working capital funds in acquisition of such content.

We acquire content based on our management estimates driven by certain assumptions. However, the actual performance of the content acquired by us may vary from estimates for factors which may be beyond our control. In certain contents, we may not be able to generate adequate or expected revenues to recover the costs associated with such contents. Further, we cannot give any assurance that all future contents would generate sufficient revenues to recover their cost involved. The aforementioned risks could adversely impact our profitability which could have a material adverse effect on our business, results of operations and financial condition.

**5     *We depend on our relationships with platform owners to exploit our Content Library. Any failure to maintain and grow these relationships could adversely affect our ability to distribute content on favourable terms or at all, which would in turn affect our growth and profitability.***

We generate revenues from the exploitation of our Content Library on various distribution platforms, such as television broadcasters, New Media, physical media and others. There can be no assurance that, we shall be able to negotiate favourable commercial terms with the platform owners. Our failure to maintain these relationships with the aforementioned platform owners or to establish and capitalise on new relationships, could harm our business or prevent our business from growing, which could have a material adverse effect on our business prospects, financial condition and results of operations.

**6     *Intensified competition may result in content cost escalation which may restrict our ability to access content at favourable terms or at all. Any escalation in the content acquisition cost as a result of such competition could result in us losing out on opportunities to acquire content, or, could impact the profitability of the content so acquired, which would adversely affect our growth and profitability***

Our Company faces competition from both new as well as existing players in the films and television media segments. Intensified competition from these players in recent years has increased demand for the limited content pool, which has in turn contributed to an increase in costs for content acquisition. There can be no assurance that the costs of content acquisition will not continue to increase in the future, making it more difficult for us to access content cost-effectively. Further, the prices of commercially compelling content

could rise disproportionately due to scarce supply of such content. This could reduce our ability to sustain profit margins, which could have a material adverse effect on our business prospects, financial condition and results of operations.

**7 *We require working capital funds for content acquisition and the failure to obtain additional financing in the form of debt or equity in a timely manner or on terms commercially favorable to us or at all, may adversely affect our content acquisition and our future profitability.***

We require working capital funds for content acquisition and business growth. The actual amount and timing of our fund requirements may also differ from estimates as a result of, among other things, unforeseen delays or cost overruns in acquiring content, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources; we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest cost and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in our Company and could adversely impact our Equity Share price.

**8 *Our ability to remain competitive may be adversely affected by rapid technological changes with respect to distribution platform and our ability to adapt to such changes.***

The media and entertainment industry continues to undergo significant technological developments, including the ongoing transition from physical to digital media. We may not be successful in adapting to new digital distribution technology. Further, advances in technologies or alternative methods of product delivery, storage or changes in consumer behaviour driven by these or other technologies, could have a negative effect on our home entertainment market and new digital market in India. If we fail to successfully exploit digital and other emerging technologies, it could have a material adverse effect on our business prospects, financial condition and results of operations.

**9 *We cannot predict or forecast if a film will be successful. In addition, changing consumer tastes further compromise our ability to predict which films will be popular with audiences in India and internationally. Further we have limited experience in producing films, which could adversely affect the quality and consequently the profitability of the films we produce.***

The demand for film production business depends substantially on consumer tastes or preferences that often change in unpredictable ways. There is no assured way that will help us in predicting whether any film will be successful or not. The popularity and economic success of our films depends on many factors including general consumer tastes, the actors and other key talent involved, the promotion and marketing of the film, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, the genre and specific subject matter of the film, its critical acclaim, the breadth and format of its release and other tangible and intangible factors, which we cannot predict with certainty and which may be beyond our control. This could result in anticipated profits not being realised, which could have a material adverse effect on our business prospects, financial condition and results of operations. We have recently incorporated a wholly owned subsidiary, Shemaroo Films Private Limited, through which we are managing and running our film production business and all activities relating thereto.

As on July 31, 2014, we have produced the following five Hindi films – Dedh Ishqiya, Ishqiya, Mere Baap Pehle Aap, Manorama Six Feet Under and Kuchh Meetha Ho Jaye. Taking into account all the revenue streams and cost components, the Company generated profit on three out of these five films. On an aggregate basis, the total investment in these five films amounted to ₹ 5,750.84 lakhs and the Company generated profit of ₹ 356.86 lakhs.

Further, our limited experience may also make it more difficult to attract and retain creative talent and to obtain external financing for such projects. There can be no assurance that our future productions will be completed on time or at all or within the budget or that they will recover their costs, which could have a material adverse effect on our business prospects, financial condition and results of operations, and harm our reputation.

**10     *We cannot be certain that our Content Library do not infringe upon the intellectual property rights of third parties.***

An essential part of our content acquisition strategy is to conduct detailed due diligence on the contents that we propose to acquire. As a part of this due diligence process we give public notices in film trade magazines which provide a detailed description of the content that we propose to acquire and invite claims from third parties with sufficient documentary proof. We do this to ensure that we acquire contents that do not infringe the intellectual property rights of third parties. Depending on the materiality of the claims received on that particular content and supporting documentary proof having been received, our Company may or may not acquire the respective content.

Despite the aforementioned process that we follow before acquisition of any content we may receive claims or notices over the content that we have acquired. Any claims or litigation over the content that we have acquired, whether justified or not, could be time-consuming and costly, harm our reputation, require us to enter into royalty or licensing arrangements which may not be available on acceptable terms or at all. Although we have indemnity provisions against the producer from whom we acquire such content, the indemnity cover may not be sufficient or may not be accepted by a court of law. For the last three years ending on March 31, 2014, we have acquired 1,085 films. Of the aforementioned films, we have received objections from certain third parties for approximately 56 films. The cost of acquisition of such 56 films aggregates to an amount of ₹ 1,059.12 lakhs. Any of the foregoing could have a material adverse effect on our business prospects, financial condition and results of operations.

**11     *The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. We have not entered into any definitive agreements to utilise the proceeds of the Issue. Any variation between the estimation and actual expenditure on these projects could result in execution delays or influence our profitability adversely.***

The deployment of funds as stated in the section titled “Objects of the Issue” on pages 82 to 85 of this Prospectus is entirely at the discretion of our management and is not subject to monitoring by any independent agency. All the figures included under the “Objects of the Issue” are based on our own estimates. There has been no independent appraisal of the objects. We have not entered into any definitive agreements to utilize the proceeds of the Issue towards the purposes mentioned in the section titled “Objects of the Issue” on page 82 to 84 of this Prospectus.

**12     *Our operating results may be materially and adversely affected by the seasonality of our business.***

Our revenue and operating results are seasonal in nature due to variation in factors such as advertising spend, acquisition activities of television broadcasters and overall entertainment consumption patterns of consumers. Entertainment consumption patterns and advertising spends have traditionally been highest during school holidays, national holidays and the festivals. They are also affected by competing leisure and entertainment activities such as cricket among others. As a result, quarterly results can vary from one year to the next and the results of one quarter are not necessarily indicative of results for the next or any future quarter.

**13     *Our lenders have imposed certain restrictive conditions on us under our financing arrangements.***

Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business

and impair our future growth plans. For further information, see the section titled “Financial Indebtedness” on page 273 of this Prospectus.

- 14** *In the past, one of our Promoters, Mr. Raman Maroo, has been declared as a ‘wilful defaulter’. Any adverse order, direction, notice or penalty in any such case by RBI in the future against any entity with which any of our Promoter(s) is associated, could have an adverse effect on our reputation, business operations, financial condition, results and profitability.*

One of our Promoters, Mr. Raman Maroo, is an independent director on the board of Orbit Corporation Limited, a public limited company, (“Orbit”), since May 21, 2007. Orbit as well as Mr. Raman Maroo, in his capacity of an independent director of Orbit was included in the list of wilful defaulters’ of the Reserve Bank of India for the year ended March 31, 2012. Orbit is neither a Promoter nor part of the Promoter Group, Group Companies or Affiliates of our Company. For details, see the section “Outstanding Litigation and Material Developments” on pages 293 to 294 of this Prospectus.

Any adverse order, direction, notice or penalty in any such case by RBI in the future against any entity with which any of our Promoter(s) is associated, could have an adverse effect on our reputation, business operations, financial condition, results and profitability.

- 15** *We are applicants in respect of several trademark applications, copyright applications, and design applications, which are pending registration. A delay in, or failure to obtain, registration may result in our inability to adequately defend our intellectual property rights.*

For certain characters, names and designs, we have obtained intellectual property protection by way of registration under the Trade Marks Act, 1999, the Copyright Act, 1957 and the Designs Act, 2000. However, we have not yet obtained registration for all the trademarks, copyrights and designs we have applied for.

We cannot assure you that any of these applications shall be granted in our favour by the relevant authorities. We may face opposition in relation to our applications, currently we have received objections from third parties in connection with 6 trademarks and additionally, objections in relation to 1 other trademark have been received under two different classes. Further, we may ultimately be unsuccessful in our applications, which may result in us incurring costly litigation to defend the intellectual property rights related to such characters, names and designs distributed or proposed to be distributed by us from opposition or infringements, in which case we cannot assure you that we shall be successful in defending the same. For further details, see the section titled “Government and Other Approvals” on pages 317 to 321 of this Prospectus.

- 16** *We are subject to concentration risks relating to our group of customers in the television broadcast and New Media industry. Any significant adverse changes in this customer group’s buying patterns may have a material and adverse effect on our business and results of operation.*

Broadcast syndication is one of our major activities. Television broadcasters source content from us and telecast it across their bouquet of channels, which include GECs as well as movie channels. As the content is procured by the television broadcasters at a bouquet level and there are a limited number of such broadcasters, the number of prospective buyers for our content is limited. Similarly, our content is distributed on New Media and technology through telecom operators and internet streaming websites like Youtube. The number of telecom operators and the streaming websites is limited.

Any significant adverse changes in this customer group’s buying patterns may have a material and adverse effect on our business and results of operations.

- 17** *Our inability to adapt to rapidly changing post production technology in a timely manner or at all may adversely affect our profitability and results of operation.*

We have an in-house state-of-the-art digital post-production studio which provides services such as digital intermediate processing, film restoration, format conversions among others. We rely on third party licenses

for the tools and techniques developed in the industry for the aforementioned post production services. Such tools and techniques are prone to rapid changes in technology. We may not be able to adapt to such changes in a timely manner or at all. In order to remain competitive we could be required to upgrade our technology, and any failure to do so could have a material adverse effect on our business prospects, financial condition and results of operations.

**18 We are subject to risks arising from exchange and/or interest rate fluctuations.**

We have incurred and expect to incur expenditure and earn revenue denominated in foreign currencies in the course of our operations when acquiring or monetising our content and in respect of overseas market. Any fluctuation of the Indian Rupee against the currency in which we have an exposure may increase the Indian Rupee costs to us of our expenditure or may reduce the revenue to us. Below is a break-up of the percentage of revenue earned and expenditure incurred in foreign exchange during last three years:

**Revenue Earned in Foreign Exchange:**

Particulars	For the Financial Year Ended		
	2014	2013	2012
Exports at F.O.B Value	1,427.93	1,070.14	1,022.12
Revenue from Operations	26,333.70	21,332.04	18,051.78
Percentage of Revenue Earned in Foreign Exchange to Revenue from Operation	5.42%	5.02%	5.66%

**Expenditure incurred in Foreign Exchange:**

Particulars	For the Financial Year Ended		
	2014	2013	2012
Expenditure incurred in Foreign Exchange	109.07	164.59	177.88
Direct Operational Expenses	21,668.14	17,615.05	14,888.95
Percentage of Expenditure Incurred in Foreign Exchange to Direct Operational Expenses	0.50%	0.93%	1.19%

We currently do not use foreign currency hedging instruments to manage the volatility associated with foreign currency payments and risks. However, this is kept under review, and our Company may enter into such instruments in the future.

We are also exposed to interest rate fluctuations on our borrowings. As at July 31, 2014, majority of our indebtedness was subject to floating rates of interest linked to the benchmark prime lending rate, ("BPLR")/base rate, and is thereby exposed to changes in interest rates. In addition, the interest rates for our indebtedness are subject to periodic resets. Upward fluctuations in interest rates increase the cost of our borrowings.

We do not currently use any instruments such as interest rate swaps, options and other derivative instruments for the purposes of mitigating our exposure to interest rate risk. However, this is kept under review, and we may enter into such instruments in the future.

**19 Our industry is regulated and our business activities require various approvals, licenses, registrations and permissions. Our operations and/or profitability could be adversely affected if we fail to obtain, in a timely manner or at all, or comply with the conditions that may be attached to, such approvals, licenses, registrations and permissions.**

We require various approvals, licenses, registrations and permissions for our business activities. Each regulatory authority may impose its own requirements or delay or refuse to grant approval. If we fail to



comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for marketing new products. Our business prospects, results of operations and financial condition could be adversely affected if we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all. For details, see the section titled “Government and Other Approvals” beginning on page 299 of this Prospectus.

**20 *We have availed of certain unsecured loans, which may be recalled at any time.***

As of July 31, 2014, we have availed unsecured loans for an amount of ₹ 7,693.03 lakhs which are repayable on demand. Out of the total unsecured loans aggregating to ₹ 7,693.03 lakhs, ₹ 991.00 lakhs has been availed from the promoter/promoter group and directors of the Company as detailed below:

<b>Lender</b>	<b>Nature of Facility</b>	<b>Outstanding Amount - Fund based (₹ in lakhs)</b>	<b>Interest Rate (p.a)</b>	<b>Tenor</b>
<b>Promoters</b>				
Mr. Atul Maru	Unsecured Loan	505.00	12.50%	Repayment on demand
Mr. Raman Maroo	Unsecured Loan	350.00	12.50%	Repayment on demand
<b>Directors, Promoter Group and Relatives</b>				
Mr. Hiren Gada	Unsecured Loan	6.05	12.50%	Repayment on demand
Mr. Jai Maroo	Unsecured Loan	114.20	12.50%	Repayment on demand
Ms. Smita Maroo	Unsecured Loan	15.75	12.50%	Repayment on demand

For further details, see the section titled “Financial Indebtedness” on pages 272 to 273 of this Prospectus. In the event such loans are recalled by the lenders our business prospects, results of operations and financial condition could be adversely affected.

**21 *We have entered into a shareholders’ agreement with Vistaas Digital Media Private Limited that restrict our rights to exit the joint venture, on unilaterally favorable terms which could also affect our ability to exit the venture in a timely manner.***

We have entered into a shareholders’ agreement with Vistaas Digital Media Private Limited, (“**Vistaas**”) and its founders, with the intention to source devotional content from Vistaas which shall enable us to expand our Content Library. The shareholders’ agreement restricts our right to exit the arrangement by way of a tag along right granted in favour of the founders of Vistaas.

Pursuant to the aforementioned tag along right, in the event we are desirous of selling all or part of our shares in Vistaas to a third party, we have an obligation to ensure that such third party acquires pro-rata shares of the founders of Vistaas at the same price and at the option of the Founders of Vistaas. This condition restricts our timely exit from Vistaas and may limit our ability to realise value from our shareholding which could have an adverse effect on our cash flows and financial condition. For a brief description of the Share Subscription, Share Purchase and Shareholders Agreement, see the section titled “History and Certain Corporate Matters” on pages 137 to 139 of this Prospectus.

**22 *Our Promoters and Directors may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters are interested in our Company to the extent of any transactions entered into or their shareholding and dividend entitlement in our Company. Our Directors are also interested in our Company to the extent of remuneration paid to them for services rendered as Directors of our Company and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are shareholders, directors or partners. For further information, see the sections titled “Our Management” and “Our Promoters and Group Companies” on pages 150 and 161 of this Prospectus, respectively, and the section titled “Financial Statements” beginning on 170 of this Prospectus.

- 23** *We may not regularly be in a position to distribute dividends, and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.*

If we experience any losses it could adversely affect our results of operations and financial condition. For further details, see the sections titled “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 170 and 254 of this Prospectus, respectively.

The amount of our future dividend payments, if any, will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends in the event we incur any losses in the future. Below is a tabular representation of the dividend history of our Company over the last three financial years:

Particulars	For the financial years ended		
	March 31, 2014	March 31, 2013	March 31, 2012
Face value per share (In ₹)	10	10	10
Dividend (₹ in lakhs)	99.24	99.24	99.24
Dividend (in ₹ per share)	0.5	0.5	0.5
Dividend Tax (₹ in lakhs)	16.87	16.87	16.10
Equity Share Capital (₹ in lakhs)	1,984.89	1,984.89	1,984.89
Rate of dividend (%)	5%	5%	5%

- 24** *Certain of our Subsidiaries and Group Companies have incurred losses during recent Fiscal Years.*

The following Subsidiaries have incurred losses in recent Fiscal Years:

(₹ in lakhs)

Sr. No.	Name of Subsidiary	Profits/(Losses)		
		Fiscal 2014	Fiscal 2013	Fiscal 2012
1.	Shemaroo Entertainment Inc	(1.70)	(1.17)	24.04
2.	Shemaroo Films Private Limited	(0.58)	(2.11)	NA
3.	Shemaroo Entertainment (UK) Private Limited	(77.93)	0.87	15.66

For further details of our Subsidiaries, see the section titled “History and Certain Corporate Matters” on pages 139 to 141 of this Prospectus.

The following Group Companies have incurred losses in recent Fiscal Years:

(₹ in lakhs)

Sr. No.	Name of Group Company	Profits/(Losses)		
		Fiscal 2014	Fiscal 2013	Fiscal 2012
1.	Shemaroo Holdings Private Limited	130.64	5,537.24	(0.29)
2.	M/s Shemaroo Corporation	(3.63)	46.47	16.89
3.	Think Walnut Digital Private Limited	(19.27)	(130.15)	(74.62)
4.	Banyan Tree Living and Life Style LLP	(0.06)	(0.18)	(5.82)
5.	Tasmai Properties LLP	(0.06)	(0.18)	NA

For further details of our Group Companies, see the section titled “Our Promoters and Group Companies” on pages 163 to 165 of this Prospectus.

- 25** *Our success depends on our ability to retain and attract key qualified personnel and, if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop and grow our business.*

We have, over time, built a strong team of experienced professionals on whom we depend to oversee the operations and growth of our business. We believe that our success in the future is substantially dependent on

the experience and expertise of, and the longstanding relationships with key talent and other industry participants built by our senior management and key personnel. Any loss of any of our senior management or key personnel or any conflict of interest that may arise for such management or key personnel or the inability to recruit further senior managers or other key personnel could impede our growth by impairing our day-to-day operations and hindering our development of our business and our ability to develop, maintain and expand client relationships, which would have a material adverse effect on our business, results of operations, financial condition and prospects.

**26 *We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materializes.***

As of March 31, 2014, contingent liabilities disclosed in the notes to our audited and restated consolidated financial statements aggregated ₹ 483.73 lakhs. Set forth below are our contingent liabilities that had not been provided for, for the last five years ending March 31, 2014.

(₹ In lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2014	2013	2012	2011	2010
Bank Guarantee	20.00	12.00	5.00	1.63	1.63
Estimated amount of contracts remaining to be executed on capital account	-	5.00	5.00	1.25	0.48
Disputed Direct Tax Demands	75.24	-	-	-	202.97
Disputed Indirect Tax Demands	161.01	-	-	-	342.40
Legal Cases against the Group	227.48	180.51	180.51	180.51	185.13
Uncalled liability on Partly Paid Shares	-	-	-	342.00	-
Bills of exchange discounted with Bank	-	-	4,332.19	1,980.00	495.00
<b>Total</b>	<b>483.73</b>	<b>197.51</b>	<b>4,522.70</b>	<b>2,505.39</b>	<b>1,227.60</b>

If any of these contingent liabilities materialize, our financial condition and results of operation may be adversely affected.

**27 *Contingent liabilities not provided for include potential income tax related claims which are not quantifiable.***

We have been subject to assessment and scrutiny by the Income Tax Department, for assessment year 2012-2013. There is a possibility that the Income Tax Department may impose additional tax liability on our Company upon completion of these assessments. For further details, see the section titled “Outstanding Litigation and Material Developments” on page 277 of this Prospectus. We cannot assure you that the Income Tax Department will not initiate further scrutiny, investigation or regulatory action or reopen assessments for previous years. Any adverse finding by the Income Tax Department would have a material adverse effect on our reputation, business, operations and financial condition.

**28 *Our Company has received a show cause notice from the Maharashtra Pollution Control Board, (“MPCB”), dated March 16, 2006 for not obtaining their consent as required under the Water Act, Air Act and the Hazardous Waste (Management and Handling) Rules, 1981, respectively. Our operations and/or profitability could be adversely affected if we fail to obtain, in a timely manner or at all, or comply with the conditions that may be attached to the said consent.***

The MPCB has issued a show cause notice against our Company under section 25/26 of the Water (Prevention and Control of Pollution) Act, 1974, (“**Water Act**”) and section 21 of the Air (Prevention and Control of Pollution), Act, 1981, (“**Air Act**”) for not obtaining the consent of the MPCB as required under the Water Act, Air Act and the Hazardous Waste (Management and Handling) Rules, 1981, respectively. The Company is in the process of obtaining the said consent and has made an application dated March 10, 2012 in

this regard. However, in the event, our Company fails to obtain the said consent or there occurs a considerable delay in obtaining the same, our business prospects, results of operations and financial condition could be adversely affected. For further details please see the section titled “Outstanding Litigation and Material Developments” on page 287 of this Prospectus.

**29 *Our international operations expose us to complex management, foreign currency, legal, tax, and economic risks. These risks may have a material adverse effect on our business prospects, results of operations and financial condition.***

We operate through our subsidiaries in the United States and in the U.K. As a result of our existing and expanding international operations, we are subject to risks inherent to establishing and conducting operations in international markets, including (i) cost for compliance with a wide range of regulatory requirements; (ii) exchange rate movements; (iii) potential difficulties with respect to protection of our intellectual property rights in some countries;

The risks stated above and the constantly changing dynamics of international markets could have an adverse effect on our business prospects, results of operations and financial condition.

**30 *Certain other ventures promoted by our Promoters are authorised to engage in a similar line of business.***

Certain entities within our Promoter Group are authorized under their constitutional documents to engage in a similar line of business as us. For further details with respect to our Promoters and members of our Promoter Group, see the section titled “Our Promoters and Group Companies” on page 167 of this Prospectus. We cannot assure you that our Promoters will not favour the interests of the members of our Promoter Group over our interests. Such other members of our Promoter Group, including those in a similar line of business, may dilute our Promoters’ attention to our business, which could adversely affect our business prospects, financial condition and results of operations.

**31 *We have in the past entered into related party transactions and may continue to do so in the future and there can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with independent third parties.***

We have entered into transactions with our Promoter and other related parties. As disclosed in the section titled “Financial Statements – Related Party Disclosures” on pages 181 to 185 and 226 to 229 of this Prospectus, these transactions include the interests of our Promoter in our Company in certain capacities such as its shareholding and dividend entitlement in our Company, the interest-bearing loans extended by our Promoter to us and rent from our office premises leased to them. Our managing director is interested in our Company to the extent of remuneration paid to him for services rendered as Director of our Company and reimbursement of expenses payable to him. Certain of our Directors may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details, see the sections titled “Our Management” and “Our Promoter and Group Entities” on pages 150 and 161 of this Prospectus, respectively. Please find below the details of related party transactions entered into by the Company in the last three fiscal years:

(₹ In lakhs)

Nature of transaction	Transaction with entities having common control			Transactions with Associates			Transactions with Key Management Personnel & Relatives of Key Management Personnel		
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Director’s Remuneration	-	-	-	-	-	-	116.35	115.21	116.20
Dividend Proposed	9.11	9.11	9.11	-	-	-	82.03	82.03	82.03

Nature of transaction	Transaction with entities having common control			Transactions with Associates			Transactions with Key Management Personnel & Relatives of Key Management Personnel		
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
(Net of Dividend Distribution Tax)									
Interest Paid	4.70	29.27	32.65	-	-	-	57.72	58.38	56.39
Directors Sitting Fees	-	-	-	-	-	-	1.20	1.00	1.40
Investments	-	-	-	-	-	449.20	-	-	-
Loans Taken	-	29.00	-	-	-	-	304.97	1,272.75	424.00
Other Income (Rent Received)	1.50	1.32	1.32	-	-	-	-	-	-
Other Income (Sale of Keyman Insurance)	-	-	-	-	-	-	-	-	296.26
Personal Guarantees Taken against Bank Loans	-	-	-	-	-	-	54,450.00	45,750.00	82,760.00
Purchase of goods & services	162.90	169.10	72.24	83.28	35.34	19.50	-	-	-
Salaries	-	-	-	-	-	-	165.35	155.46	166.85
Sales of goods & services	-	-	-	-	-	1.15	-	-	-

While we believe that all such transactions have been conducted on an arms-length basis and on sound commercial terms, there can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with independent third parties. Furthermore, it is likely that we will enter into related party transactions in the future. For further details of our historical related party transactions, see the section titled “Financial Statements – Related Party Disclosures” on pages 181 to 185 and 226 to 229 of this Prospectus.

**32 We may be unable to derive the expected benefits or realise the value of our investment in our Associate, Vistaas Digital Media Private Limited (“Vistaas”).**

We had acquired a 50% stake in Vistaas with the purchase of 45,000 equity shares for a consideration of ₹ 1,061 lakhs during the financial years 2010-11 and 2011-12. The NAV per share of Vistaas as on the date of acquisition was ₹ (-) 12.34, whereas the NAV per share as on March 31, 2014 was ₹ 606.03. Our investment in Vistaas comprises a significant portion of our non-current investments. For further information, see the section titled “History and Certain Corporate Matters - Other Material Agreements” on pages 137 to 139 of this Prospectus and the section titled “Financial Information” beginning on page 170 of this Prospectus, respectively.

Our ability to exit the venture in a timely manner may be limited on account of certain restrictive covenants in the shareholders’ agreements that we have executed pursuant to our investment in Vistaas. There can be no assurance that we will receive any of the expected benefits from our investment in Vistaas, in a timely manner or at all. Further, if the results and revenues of Vistaas are less than expected, it could limit our ability to realise value from our investment, which could have an adverse effect on our cash flows and financial condition.

**33    *Our insurance coverage may prove inadequate to satisfy future claims against us.***

While we believe that we have insured our registered and corporate offices to ensure our property, including buildings, stocks, machinery and equipment, and our film production projects, in a way which we believe is typical in our industry in India and in amounts which we believe to be commercially appropriate, we may become subject to liabilities against which we are not adequately insured or at all or cannot be insured, including when the loss suffered is not easily quantifiable and in the event of severe damage to our reputation. Even if a claim is made under an existing insurance policy, due to exclusions and limitations on coverage, we may not be able to successfully assert our claim for any liability or loss under such insurance policy.

In addition, in the future, we may not be able to maintain insurance of the types or in the amounts which we deem necessary or adequate or at premiums which we consider appropriate. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductibles or co-insurance requirements), could have a material adverse effect on our business, results of operations, financial condition and cash flows.

**34    *Post listing of Equity Shares of our Company, the members of our Promoter Group will continue to hold majority control in our Company, which will allow them to determine the outcome of shareholder resolutions / board resolutions.***

Upon completion of the Issue, the members of our Promoter Group will collectively hold 65.82 % of the paid-up equity capital of our Company. With the majority equity stake in our Company, the Promoter Group will be able to influence matters requiring shareholders' approval, such as approval of financials of our Company, appointment or removal of directors, declaration of dividend etc., which decisions may or may not be what other shareholders desire or believe is in their best interests.

**35    *Any negative cash flows in the future could adversely affect our cash flow requirements.***

We have in the past, and may in the future, experience negative cash flows. For example, our net cash used in operating activities, on a consolidated basis, in Fiscal Years 2014 and 2013 amounted to ₹ 1,937.17 lakhs and ₹ 107.12 lakhs, respectively. In addition, our net cash used in investing activities, on a consolidated basis, in Fiscal Years 2014, 2013, 2012 and 2011 amounted to ₹ 125.05 lakhs, ₹ 100.79 lakhs, ₹ 608.73 lakhs and ₹ 898.94 lakhs, respectively, and our net cash used in financing activities, on a consolidated basis, in Fiscal Years 2013, 2012, 2011 and 2010 amounted to ₹ 333.68 lakhs, ₹ 888.44 lakhs, ₹ 2,536.70 lakhs and ₹ 891.59 lakhs, respectively. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 266 to 267 of this Prospectus.

**36    *We may not be able to adequately protect the intellectual property associated with the content we distribute.***

Intellectual property rights, such as trademarks, are important to the successful branding of the content we distribute. We have made considerable efforts to protect the intellectual property associated with the content we distribute. There can be no assurance that we have taken adequate action to prevent third parties from using the brand names or the logos associated with this content. In addition, there can be no assurance that third parties will not assert rights in, or ownership of, our name or the trademarks we use or other intellectual property rights. Because we believe the reputation and track record established for these content is a key to our future growth, our business, financial condition and results of operations may be materially and adversely affected by the use of these brand names by third parties or if we were restricted from using these names.

**37    *We rely heavily on the "Shemaroo" brand name and any dilution of its brand equity could adversely affect our business.***

We believe the “Shemaroo” brand commands strong recall among the populace in India due to its long presence in the Indian entertainment market. We also believe the “Shemaroo” brand name lends our products an image of trust and quality at an affordable price. The unauthorised use or infringement of the brand name by unrelated third-parties may be detrimental to the brand equity of the “Shemaroo” brand name and may also result in litigations relating to infringement. Any decrease in the brand equity of the “Shemaroo” brand name could adversely affect our reputation, results of operations and financial condition.

**38    *We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**39    *Any variation in the utilisation of the Issue proceeds as disclosed in this Prospectus shall be subject to certain compliance requirements, including prior approval of our shareholders.***

We propose to utilize the Issue proceeds for the following purposes:

- (a) to fund working capital requirements; and
- (b) to fund expenditure for general corporate purposes.

For further details of the objects of the Issue, see the section “Objects of the Issue” on pages 82 to 85 of this Prospectus. At this juncture, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Issue proceeds as disclosed in this Prospectus without obtaining our shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Issue proceeds, we may not be able to obtain our shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to our shareholders who do not agree with our proposal to modify the objects of the Issue, at a price and manner as may be prescribed by SEBI. SEBI has not yet prescribed any regulations in this regard and such regulations may contain onerous obligations. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Issue proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Issue proceeds, if any, which may adversely affect our business and results of operations.

***External Risk Factors***

**40    *Illegal use and exploitation of our content and/or intellectual property rights and inadequate judicial systems and remedies, can diminish the demand of our products and adversely impact our brand goodwill.***

Our industry is highly dependent on maintenance of intellectual property rights in the entertainment content.

Piracy, namely the infringement of exclusive rights in creative works, is rampant globally, and can only be minimized by speedy and cost effective judicial remedies which may not always be available. The scale of piracy globally has also been affected by wide spread access to technology that can easily make copies of most digital content. The rampant growing sales of such pirated goods can diminish the demand of our products and adversely impact our brand goodwill.

Consumer awareness of illegally accessed content and the consequences of piracy are lower in India and the move to digital formats has facilitated high-quality piracy in particular through the internet and cable television. Monitoring infringement of our content is difficult and the protection of intellectual property rights in India may not be as effective as in other countries. Existing copyright and trademark laws in India afford only limited practical protection and internet-specific legislation relating to trademark and copyright protection is still at an evolving stage which creates a further challenge for us to protect our content delivered through such media. Notwithstanding the anti-piracy measures we take, there can be no assurance that we will be able to prevent piracy of our content. Piracy of our content through counterfeit media, including digital versatile discs and compact discs and continued or increased unauthorised use of our proprietary and intellectual property could result in lost revenue, result in significantly reduced pricing power and could have a material adverse effect on our business prospects, financial condition and results of operations.

**41 *Our ability to freely raise foreign capital may be constrained by Indian law.***

As a media and entertainment company while we are classified by the Indian government for automatic approval of foreign direct equity investment, we do require regulatory approvals to raise more than US\$5000 lakhs of foreign currency denominated indebtedness outside India in a financial year. The need to obtain such regulatory approval could constrain our ability to raise the most cost effective funding, which may adversely affect our future growth. We cannot assure you that any required approvals will be given when needed or at all or that such approvals if given will not have onerous conditions.

**42 *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, and SEBI has introduced changes to the listing agreement, which are effective from October 1, 2014, which may subject us to higher compliance requirements and increase our compliance costs.***

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the Companies Act, 2013 within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavor to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and



complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). Recently, SEBI issued revised corporate governance guidelines which are effective from October 1, 2014. Pursuant to the revised guidelines, we will be required to, inter alia, appoint at least one woman director on our Board, establish a vigilance mechanism for directors and employees, in accordance with the revised guidelines. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 or the revised SEBI corporate governance norms, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

**43    *A significant change in the central and state governments' economic liberalization and deregulation policies could disrupt our business. A change in taxation laws could also adversely impact our financial condition and results of operations.***

Our performance and growth are dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors.

In recent years, India has been following a course of economic liberalization and our business could be significantly influenced by economic policies adopted by the Government. Since 1991, successive Indian Governments have pursued policies of economic liberalization and financial sector reforms. The Government has at various times announced its general intention to continue India's current economic and financial liberalization and deregulation policies. However, protests against privatizations and other factors could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and political, economic or other developments in or affecting India. The current Government, which came to power in May 2014, is headed by the Bharatiya Janata Party. While the current Government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued.

Further, the Direct Tax Code Bill 2013, or DTC, proposes to replace the existing Income Tax Act, 1961 and other direct tax laws, with a view to simplify and rationalize the tax provisions into one unified code. The various proposals included in the DTC are subject to review by Indian parliament and as such impact if any, is not quantifiable at this stage. It is possible that the Direct Tax Code, once introduced, could significantly alter the taxation regime, including incentives and benefits, applicable to us.

Any such change in the Government's policies in the future could adversely affect business and economic conditions in India and could also adversely affect our business prospects, financial condition and results of operations. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on our operations.

**44    *Significant differences exist between Indian GAAP used throughout our financial information and other accounting principles, such as U.S. GAAP and IFRS/IFRS, with which investors may be more familiar.***

Our financial statements are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and standards. If we were to

prepare our financial statements in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. The significant accounting policies applied in the preparation of our Indian GAAP financial statements are set forth in the notes to our financial statements included in this Prospectus. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisors for an understanding of the differences between these accounting principles and those with which they may be more familiar.

**45    *Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could adversely affect our business prospects, results of operations and financial condition and the price of our Equity Shares.

**46    *Current economic conditions may adversely affect our industry, financial position and results of operations.***

The global economy is currently undergoing a period of unprecedented volatility, and the future economic environment may continue to be less favorable than that of recent years.

Significant changes and volatility in the consumer environment and in the competitive landscape may make it increasingly difficult for us to predict our future revenues and earnings.

**47    *A slowdown in the economic growth in India could cause our business to suffer.***

Our domestic sales contributed 94.30 % of our sales based on the audited and restated consolidated financial statements as of March 31, 2014 and consequently, our performance and growth is largely dependent on the state of the Indian economy. In recent years, India has been one of the fastest growing major economies in the world, recording a GDP growth rate at factor cost of 7% or higher in each of fiscal years between FY04 and FY08. While the financial crisis slowed the pace of growth in FY09 to 6.7%, the Indian economy was quick to recover in FY10 and FY11, recording growth rate of 8.6% and 9.3% respectively. Domestic macroeconomic challenges since then (of high and persistent inflation, rising twin deficits, elevated interest rates) in addition to a tepid pace of global recovery resulted in GDP growth rates at factor cost declining to 6.2% in FY12, to a low of 5.0% in FY13 and thereafter, a further decline to 4.7% in FY14.

Any slowdown in the Indian economy and demand for business of our customers could adversely affect our business.

## **RISKS RELATING TO THE ISSUE**

**48    *Further issuances of Equity Shares by our Company or sales of Equity Shares by any of our major shareholders could adversely affect the trading price of the Equity Shares.***

Any future issuances by our Company may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by our Company or sales of the Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

**49    *The requirements of being a listed company may strain our resources.***

We are not a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges,

which require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

Furthermore, as a listed company we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business prospects, results of operations and financial condition and the price of our Equity Shares. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely manner.

**50 *Our Equity Shares may be subject to market price volatility, and the market price of our Equity Shares may decline disproportionately in response to adverse developments that are unrelated to our operating performance.***

Market prices for the securities have historically been highly volatile, and the market has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. Factors such as the following can have an adverse effect on the market price of our Equity Shares:

- general market conditions,
- speculative trading in our Equity Shares, and
- developments relating to our peer companies in the entertainment industry.

**51 *After the Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.***

The price of the Equity Shares may fluctuate after the Issue as a result of several factors, including, among other things, volatility in the Indian and global securities markets, the results of our operations and performance, the performance of our competitors, developments in the Indian entertainment sector and changing perceptions in the market about investments in the Indian entertainment sector.

**52 *Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.***

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced recent volatility in line with global economic conditions.

There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in certain other countries.

**53 *You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or demat accounts, with depository participants in India are expected to be credited within two working days of the date on which Issue and Allotment is approved by the Board. Thereafter, upon receipt of final listing and trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within approximately seven working days.

We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. In addition, we are liable to pay interest at 15% per annum if Allotment is not made, refund orders are not dispatched or demat credits are not made to investors within 15 days from the Bid/Issue Closing Date.

**54 *There may be less information available about our Company in Indian securities markets than in securities markets in other more developed countries.***

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of markets in the United States and other more developed economies. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed economies. As a result, shareholders may have access to less information about our business, results of operations and financial condition than those of our competitors that are listed on the Stock Exchanges and other stock exchanges in India on an ongoing basis than shareholders may have in the case of companies subject to the reporting requirements of other more developed countries.

**55 *Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, regulations of our Board of Directors and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholders of our Company than as shareholders of a corporation in another jurisdiction.

**56 *Fluctuations in the exchange rate of the Rupee and other currencies could have a material adverse effect on the value of the Equity Shares, independent of our operating results.***

The Equity Shares are quoted in Rupees on the BSE and the NSE. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into appropriate foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

**57 *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner, or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on either or both the Stock Exchanges. Any failure or delay in obtaining the approval would restrict the shareholders ability to dispose of their Equity Shares.

**58 *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax, (“STT”), has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long-term capital gains tax in India. Further, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country in which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

**59 *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

**60 *There may be restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder’s ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Our Company will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

**61 *Investors may have difficulty enforcing foreign judgments against us or our management.***

We are a limited liability company incorporated under the laws of India. Eight of our ten Directors and certain executive officers are residents of India. A substantial portion of our assets and the assets of the directors and executive officers resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 of India (as amended), (“Code”), on a statutory basis. Section 13 of the Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is

founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law in force in India. Under the Code, a court in India shall, upon production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Code provides that where a foreign decree or judgment has been rendered by a superior court within the meaning of Section 44A in any country or territory outside India which the Government of India has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty. For the purposes of this section, foreign judgment means a decree which is defined as a formal expression of an adjudication which, so far as regards the court expressing it, conclusively determines the rights of the parties with regard to all or any of the matters in controversy in the suit.

The U.K. has been declared by the Government of India to be a reciprocating territory but the United States has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered.

## Prominent Notes

- Public issue of 7,333,332 Equity Shares for cash at a price of ₹ 170\* per Equity Share (including a share premium of ₹ 160 per Equity Share), aggregating to ₹ 12,000 lakhs. The Issue would constitute 26.98% of the post Issue paid-up capital of our Company.

*\*Retail Discount of ₹ 17 per Equity Share has been offered to Retail Individual Bidders.*

- A discount of 10% to the Issue Price, i.e. ₹ 17 per Equity Share has been offered to Retail Individual Bidders. The Price Band, the minimum bid lot and the Retail Discount was decided by our Company in consultation with the Book Running Lead Managers and was advertised at least five Working Days prior to the Bid/Issue Opening Date.
- The consolidated net worth of our Company as at March 31, 2014 was ₹ 17,445.52 lakhs.
- The consolidated net asset value per Equity Share as at March 31, 2014 was ₹ 87.89.
- The average cost of acquisition per Equity Share by our Promoters is as follows:

Name of the Promoter	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)
Mr. Raman Maroo	48,09,520	0.23
Mr. Atul Maru	48,09,520	0.23

For further details, see the section titled “Capital Structure” on pages 70 to 71 of this Prospectus. The average cost of acquisition per Equity Share by our Promoters has been calculated by taking the average of the amount paid by our Promoter to acquire Equity Shares.

6. During the period commencing from six months immediately preceding the date of filing of the DRHP till date, no financing arrangements existed pursuant to which our Promoter Group, Directors or their relatives have financed the purchase of Equity Shares by any other person.
7. For information on changes in our Company's name, Registered Office and changes in the object clause of the Memorandum, see the section titled "History and Certain Corporate Matters" on page 134 of this Prospectus.
8. Except as disclosed in the section titled "Financial Statements - Related Party Disclosures" on pages 181 to 185 and 226 to 229 of this Prospectus, there have been no transactions between our Company, our Key Management Personnel & Relatives of Key Management Personnel and entities having common control during the last year. The details of transactions by our Company with our Promoters and Group Entities during the last three fiscal years, including the nature and cumulative value of the transactions, are as follows:

(₹ in lakhs)

Nature of transaction	Transaction with entities having common control			Transactions with Associates			Transactions with Key Management Personnel & Relatives of Key Management Personnel		
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Director's Remuneration	-	-	-	-	-	-	116.35	115.21	116.20
Dividend Proposed (Net of Dividend Distribution Tax)	9.11	9.11	9.11	-	-	-	82.03	82.03	82.03
Interest Paid	4.70	29.27	32.65	-	-	-	57.72	58.38	56.39
Directors Sitting Fees	-	-	-	-	-	-	1.20	1.00	1.40
Investments	-	-	-	-	-	449.20	-	-	-
Loans Taken	-	29.00	-	-	-	-	304.97	1,272.75	424.00
Other Income (Rent Received)	1.50	1.32	1.32	-	-	-	-	-	-
Other Income (Sale of Keyman Insurance)	-	-	-	-	-	-	-	-	296.26
Personal Guarantees Taken against Bank Loans	-	-	-	-	-	-	54,450.00	45,750.00	82,760.00
Purchase of goods & services	162.90	169.10	72.24	83.28	35.34	19.50	-	-	-
Salaries	-	-	-	-	-	-	165.35	155.46	166.85
Sales of goods & services	-	-	-	-	-	1.15	-	-	-

9. Except as disclosed in the sections titled "Financial Statements - Related Party Disclosures" and "Our Promoter and Group Entities" on pages 181 to 185 and 226 to 229, and 161 of this Prospectus, respectively, none of our Group Entities are interested in our Company.

10. Any clarification or information relating to the Issue shall be made available by the BRLMs and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. The BRLMs shall be obligated to provide information or clarifications relating to the Issue. Investors may contact the BRLMs, the Syndicate Members and the Registered Brokers for any complaints or comments pertaining to the Issue which will be attended expeditiously.
11. All grievances relating to the Issue must be addressed to the Registrar to the Issue quoting full details such as name of Bidder, Bid-cum-Application Form number, number of Equity Shares applied for, name and address of the Syndicate Member to whom the Bid was submitted, and cheque or demand draft number and the name of the issuing bank.
12. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as the name and address of the applicants, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Bidder.



## SECTION III – INTRODUCTION

### SUMMARY OF INDUSTRY

*The information and forecasts in this section are derived from the: FICCI- KPMG Report 2013. Neither our Company, the BRLM nor any other person connected with the Issue has independently verified this information or forecasts. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information. Forecasts are inherently uncertain because of changes in factors underlying their assumptions, events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from estimates or projections. See the section titled “Forward-Looking Statements” on page 14 of this Prospectus. For further details in relation to the Media & Entertainment Industry in India, see the section —Industry on pages 100 to 112 of this Prospectus.*

#### Media & Entertainment Industry in India

##### Overview

The Indian Media and Entertainment (M&E) industry grew from INR 728 billion in 2011 to INR 821 billion in 2012, registering an overall growth of 12.6 percent. The industry is projected to grow at a CAGR of 15 percent between 2012 and 2017 to reach INR 1661 billion.

The following table sets forth certain details in relation to the different segments comprising the Indian Media & Entertainment industry.

INR in Billion

	2008	2009	2010	2011	2012	Growth in 2012 over 2011	2013P	2014P	2015 P	2016 P	2017 P	CAGR (12-17)
Television	241	257	297	329	370	13%	420	501	607	725	848	18%
Print	172	175	193	209	224	7%	241	261	286	311	340	9%
Film	104	89	83	93	112	21%	122	138	154	172	193	12%
Radio	8	8	10	12	13	10%	14	15	19	23	27	17%
Music	7	8	9	9	11	18%	12	13	15	18	23	16%
Animation & VFX	18	20	24	31	35	14%	41	47	54	63	73	16%
Gaming	7	8	10	13	15	18%	20	24	31	36	42	22%
Internet	6	8	10	15	22	41%	28	37	49	65	87	32%
Outdoor	16	14	17	18	18	2%	19	21	23	25	27	8%
<b>Total Size</b>	<b>580</b>	<b>587</b>	<b>652</b>	<b>728</b>	<b>821</b>	<b>12%</b>	<b>917</b>	<b>1059</b>	<b>1238</b>	<b>1438</b>	<b>1661</b>	<b>15%</b>

Source: FICCI- KPMG Report 2013

The different segments mentioned in the above table will contribute in the growth of the M&E Industry in the following manner:

## 1. Television

The number of Cable and Satellite (C&S) households in India increased by 11 million in 2012, to reach 130 million. Excluding DD Direct, the number of paid C&S households is estimated to be 121 million. This paid C&S base is expected to grow to 173 million by 2017, representing 91 percent of TV households.

### **Recent Developments in the Television Sector**

The year 2012 was a year of unprecedented changes for the cable television industry in India, with mandatory Digital Access System (DAS) getting implemented in the four metros of Delhi, Mumbai, Kolkata and Chennai. Digitisation is being tackled in a phased manner with most players continuing to focus on Phase I and Phase II cities.

The October 31, 2012 deadline for Phase I cities was upheld by the Ministry, and households in Delhi and Mumbai faced an analogue cable blackout at the stroke of midnight on October 31. While analogue broadcast resumed in a few parts of Mumbai and Delhi, both cities reported a near complete shift to digital cable by the end of December 2012. Kolkata and Chennai continued to receive analogue signals even after the deadline.

Industry discussions indicate that on an overall basis, approximately 40 percent of C&S households in Phase II cities were already digitised by the end of 2012. Select cities like Ludhiana, Ahmedabad and Amritsar have seen nearly complete voluntary digitisation, while others appear to be on track for a timely roll-out. Industry stakeholders have also gained experience around implementation challenges observed during Phase I, and this may help mitigate similar challenges during successive phases.

### **Television Industry - Evolving Trends**

#### ***Subscription revenue to grow as a percentage of total broadcasting revenues***

Subscription revenue for broadcasters is estimated to grow at a CAGR of 26 percent from 2012 to 2017. Increase in the declared subscriber base and aggregation of distribution on behalf of broadcasters is expected to drive up the share of subscription to total broadcaster revenue from 36 percent in 2012 to 48 percent in 2016.

#### ***Hindi and regional General Entertainment Channels (GECs) account for major portion of the total viewership***

Hindi and regional General Entertainment Channels (GECs) continued to account for over 50 percent of the total viewership. GECs are the key drivers of television viewership, accounting for 65-75 percent of Hindi and regional markets. Hindi GEC and Hindi movie genres consolidated their position with a viewership share of 30.0 percent and 11.9 percent in 2012, compared to 26.5 percent and 10.6 percent respectively in 2011.

#### ***Broadcasters continue to invest in movies***

Movie acquisition costs continued to soar as broadcasters retained their strategy in using block-buster movies to sustain viewer interest and buzz. Star Network is reported to have invested approximately INR 3 billion on movie acquisitions in the past year. Zee Entertainment on the other hand is reported to have invested INR 2 billion to acquire 10 movies during the year.

## 2. Films

After several years of muted growth, 2012 was an exciting year for the Indian film industry with the audience returning to the theaters. India's domestic theatrical revenues grew by 23.8 percent Y-o-Y, contributing 76 percent to the INR 112.4 billion film industry. Digital distribution played a significant role in increasing the reach of the industry. The industry began penetrating tier II and III markets and entertaining the un-served population which sits near the bottom of the pyramid.

Indian cinema has continued to enchant the Indian audience for almost a century now and it is expected to continue on its growth trajectory and will be worth INR 193.3 billion by 2017. The key drivers for this tremendous growth are:

#### ***Digital distribution to build dominance***

Over the past few years the industry has steadily shifted from releasing films with physical prints to digital distribution. The share of the digital format has increased from roughly 50 percent in 2010 to around 80-90 percent in 2012. Digital distribution has enabled films to broaden their reach and do it far quicker than ever before. Distributors are now able to

capture revenues in a shorter time frame by having same-day release across theatres and pre-selling C&S rights. Most films now garner about 60-80 percent of their revenue in the first week of release.

### ***Evolving production approach***

Production houses are now focusing on producing films which are based on strong content (storyline), small budgets and non-star films with aggressive marketing and distribution spends. The success of Vicky Donor marks the change in the content strategy of the Indian film industry.

### ***The advent of organized funding***

Sourcing of film financing has been largely unorganized due to high risk nature of the business. However, with scaling up of revenues, Indian films are increasingly attracting private equity / venture capital funding from institutions directly. Cinema Capital, a venture capital fund focused on the film and entertainment sector has recently funded films like 'Heroine', 'Bol Bachchan', 'Chakravyuh' and 'Dabangg 2'. Highground Enterprises, Magus Entertainment and Springboard Ventures are some of the other venture capital firms investing in Indian films.

After a lull in interest from film funds and other venture funds' interest in the film business, 2012 saw a revival of interest. This indicates the growth of organized film financing for the film industry, and is expected to sustain and grow in the years ahead.

## **3. New Media**

New media continued its growth trajectory in 2012, with growth in advertising revenues of close to 40 percent over last year. Coming in at approximately INR 22 billion in revenue in 2012, digital ad spends reached approximately 6.7 percent of the total M&E industry advertising revenue.

As expected, mobile and wireless connections continued to drive the growth of internet penetration in India. By the end of 2012 there were 124 million internet connections in India, a rise of 41 percent over last year. Taking into account multiple users for a single wireline connection, the number of internet users reached 174 million in 2012, about 25 percent of the size of the total TV viewers in the country and is expected to reach over 60 percent of total TV viewers by 2017.

Monetization in the new media space in India continues to remain dependent on revenues from advertising. Growing at close to 40 percent, the online Ad market (excluding mobile) in India touched INR 20 billion in 2012, and is expected to grow at a 32 percent CAGR to reach INR 74 billion in 2017.

Mobile advertising currently accounts for a small share of the market, estimated at INR 1.7 billion. However, it is expected to grow significantly in the coming years, as advertising catches up with usage and time spent on mobile.

### **Key Developments of 2012**

#### ***The battle in video heats up***

Viewership for on-line video grew by 45 percent between December 2011 and December 2012. 52 percent of the total videos viewed belonging to the entertainment category and in fact most of the top YouTube channels were related to Bollywood.

Video in India continues to be dominated by short format video and mostly ad funded. Over the last two years, there have been several launches of long format video on demand services with mixed success.

#### ***Video on Demand***

Video online is broadly divided into two categories, short and long format video. Short format video has so far been the predominant category online with a large share of user generated content. Google's YouTube has been dominant in this space, through an ad funded model.

Globally and in India, video is one of the fastest growing advertising categories online. Advertisers see similar benefits to Television in Online Video, in terms of its utility for high impact brand advertising. As a result, there is increased focus on professional content, given the higher potential for ad revenues. Ad rates for online video can be 5 to 10 times higher than that for basic display ads. Hence, through good quality, low cost, made for digital content, meaningful advertising can be achieved for short format video online.

The second category, long format video, includes more traditional television and film content. Given the relatively low penetration of high speed broad band in India, the penetration of long format digital video content is still low in India. However, as broadband penetration increases, such services are expected to grow.

### ***iTunes and Apple TV come to India***

Apple launched the iTunes store in India in December 2012, allowing Indian users to buy local and international music from the store. Songs are priced at anywhere between INR 7 to INR 15 for singles and albums start at INR 70. Following the launch of Flipkart's Flyte last year, the entry of iTunes could provide a significant boost to digital music in India.

## **4. Music**

Indian music industry is approximately INR 10.6 billion in 2012 registering a growth of 18 percent over 2011. Digital tunes are now being played like never before contributing 57 percent of the total industry revenues.

While the TRAI guidelines restricting the automated renewal of Caller Ring Back Tones (CRBT) dampened the growth momentum - achieving a 16 percent Y-o-Y growth against last year's expectation of 18 percent, the industry is now gearing to take the digital audience to the next level by offering enhanced and affordable music services online and on mobile devices. Revenues from digital platforms are expected to gradually gain pace and grow at a CAGR of 21.7 percent over the next five years.

By 2017, digital revenues will contribute 72 percent to the music industry's revenues. This growth will be on the back of availability of faster broadband speeds and the uptake of subscription based online music services. Growth in music consumption (both online and mobile) is expected to drive the music industry to revenues of over INR 23 billion by 2017. The industry is expected to grow at a CAGR of 17 percent to be worth INR 18.66 billion by 2015 with digital music acting as a key growth driver.

### **Key trends in the Music Industry**

#### ***Online music streaming becomes mainstream among Internet users***

Online streaming is a major growth engine for the music industry, both globally and in India. According to Strategy Analytics, globally, online streaming revenues will grow at nearly 5 times the rate of growth for download revenues in 2012, at 40 percent versus 8.5 percent.

#### ***Licensed music stores coming to age***

Until recently there were few legal sources for buying media content in India. In 2012 the Indian digital music industry saw the debut of Flipkart's Flyte and Apple's iTunes stores featuring comprehensive selection of local and international music from all the major labels and thousands of independent labels.

#### ***Personalized applications enhance music discovery***

Applications were launched as mere tools for consumption - simple programs or casual games for tablets and smart phones. However, they have grown in capabilities and relevance to the music industry. A rise in the number of low-cost smart phones has enabled young Indians to access mobile applications like never before.

#### ***Music in the Cloud***

Music is difficult to manage, and cloud based platforms allow management of the entire catalogue across different types of devices. Cloud based Music services already have a foothold globally, especially in the United States. This trend is being mirrored in the Indian market, which saw the launch of iTunes Match service in India this year.

#### ***Social Media fuelling digital engagement***

Social networks have developed huge consumer bases, which the businesses are using to target by setting up channels and feeds to engage with customers. Moreover, music is one of the most engaging topics of discussion on social networks globally.

### ***Live music thrives***

The Indian live events market is growing steadily. Year 2012 saw a numerous live music events in India spread across various music genres, locations and audience size. The entertainment industry spent approx INR 1 billion on live entertainment across events in 2012. As per industry discussions, the segment witnessed approximately 1-1.5x growth in revenues; however profitability has been impacted with most events unable to break even.

### ***Independent music continues to rise***

The independent music scenario in India has changed drastically in the recent past. While the independent music scene in India has been largely driven by live performances, it is now a growing market online. Industry participants believe that independent artists will constitute 1-2 percent of industry revenues in coming two years.

### ***Regional Music continues to grow***

Regional markets continue to provide ample scope for growth in the M&E sector and have witnessed a rise in content consumption across media platforms. In the music industry, Hindi film music continues to rule the music charts but there has been an increase in regional music consumption too. As per industry discussions, regional music now comprises approximately 30-35 percent of the overall music pie in India. Tamil, Telugu, Bengali, Punjabi and Bhojpuri are emerging regional music markets in India.

## SUMMARY OF BUSINESS

### OVERVIEW

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

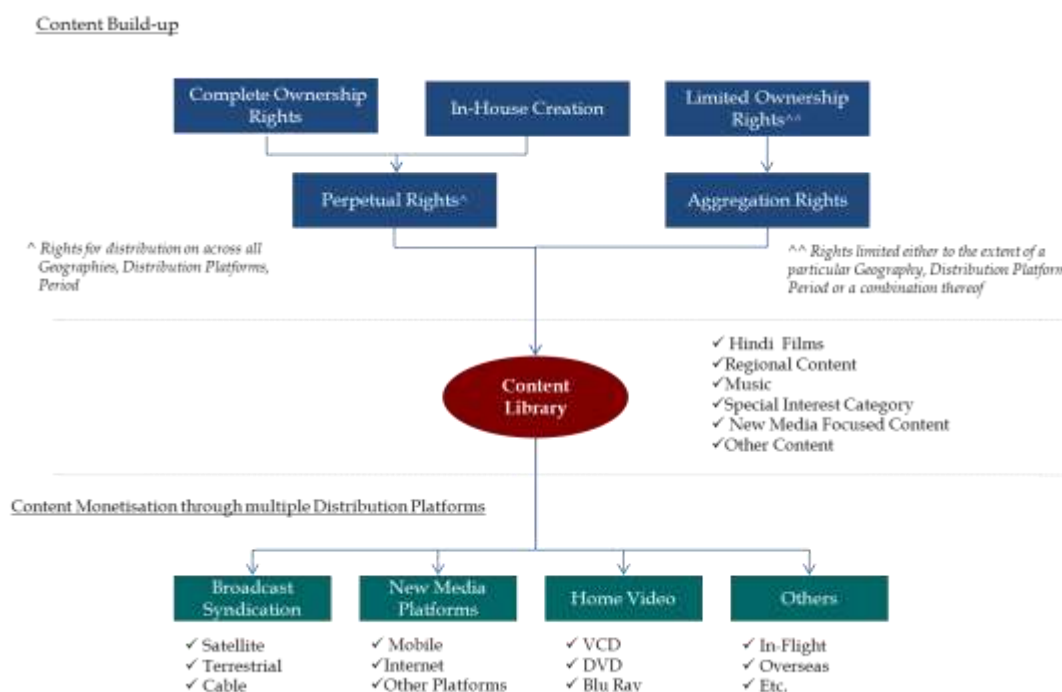
In 1979, we set up India's first video rental business and thereafter in 1987, we forayed into distribution of content through the home video segment in the video home system ("VHS") format. Over the years, our Company has successfully adapted to changing content consumption patterns by expanding into content aggregation and distribution for broadcasting on television platforms. We are continuing the expansion into New Media platforms.

Our Content Library consists of more than 2,900 titles spanning new Hindi films like Queen, Bhaag Milkha Bhaag, Dedh Ishqiya, The Dirty Picture, Kahaani, OMG: Oh My God!, Black, Ishqiya, Ajab Prem Ki Ghazab Kahani, Omkara, Dil Toh Baccha Hai, Bheja Fry 2, amongst others. Hindi films classics like Zanjeer, Beta, Dil, Disco Dancer, Mughal-e-Azam, Amar Akbar Anthony, Namak Halaal, Kaalia, Madhumati etc., titles in various other regional languages like Marathi, Gujarati, Punjabi, Bengali among others as well as non-film content. We are one of the largest independent content aggregators in Bollywood.

Currently, we distribute content over which we have either complete ownership rights or limited ownership rights.

Titles over which we have complete ownership rights are referred to as "**Perpetual Rights**", which allows us to distribute content worldwide for a perpetual period across all mediums. Titles over which we have limited ownership rights are referred to as "**Aggregation Rights**". Aggregation Rights are restricted by either period of usage, distribution platforms, medium and geography or combination thereof. Titles where we have Perpetual Rights or Aggregation Rights are known as our "Content Library".

We distribute our content through various mediums such as (i) television such as satellite, terrestrial and cable television; (ii) New Media platforms consisting of mobile, internet, direct to home ("**DTH**") and other applications; (iii) home entertainment; and (iv) other media. For further details, see "Our Business"- "Distribution Platforms" on pages 124 to 127 of this Prospectus.



Our recent initiatives include tying up as an official channel partner for Google Inc.'s You Tube where we are managing 32 channels. We are also moving beyond providing just content, to providing content management solutions to partners including Reliance Communications Re1 WAP store and Airtel digital television in connection with an interactive devotional service, namely "iDarshan".

Our consolidated total income, EBITDA and profit after tax for Fiscal 2014 was ₹ 26,595.03 lakhs, ₹ 6,568.53 lakhs and ₹ 2,726.78 lakhs respectively, representing growth of 23.07%, 11.89% and 16.32% respectively as compared to Fiscal 2013.

### ***Strengths***

Our key strengths are set forth below:

1. Shemaroo, an established brand name;
2. Vast, diverse and growing Content Library;
3. Diversified distribution platforms;
4. De-risked business model;
5. Experienced directors and management team; and
6. Strong relationships in the industry.

### ***Strategies***

Our overall strategy is structured around our Content Library and its successful exploitation to ensure that it can be monetized through diversified platforms on a worldwide basis. Our strategy is designed to address predictability, scalability and sustainability, ultimately resulting in profitability.

The key elements of our strategy are as follows:

1. Scaling up our Content Library driven by return on investment;
2. Enhancing monetization of our Content Library through existing and emerging media platforms;
3. Enhancing revenue predictability through strategically packaged sales;
4. Optimizing content monetization across its life-cycle; and
5. Creating a sustainable competitive advantage through marketing strategy and moving up the value chain.

## SUMMARY FINANCIAL INFORMATION

The following tables set forth audited and restated standalone and consolidated summary information on our assets and liabilities, profit and loss statements and cash flows as of and for the financial year ended March 31, 2010, 2011, 2012, 2013 and 2014.

These tables should be read in conjunction with our audited and restated standalone and consolidated financial statements included in the section titled “Financial Statements” on page 170 of this Prospectus and the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 254 of this Prospectus.

<b>S. No.</b>	<b>Particulars</b>	<b>Page</b>
1	Standalone summary statement of assets and liabilities of the Company, as restated	47
2	Standalone summary statement of profits and losses of the Company, as restated	48
3	Standalone summary statement of cash flows of the Company, as restated	49
4	Consolidated summary statement of assets and liabilities of the Company, as restated	51
5.	Consolidated summary statement of profits and losses of the Company, as restated	52
6.	Consolidated summary statement of cash flows of the Company, as restated	53



Statement of Standalone Assets and Liabilities (As Restated)

(₹ in lacs)

Particulars	As on March 31				
	2014	2013	2012	2011	2010
<b>1 Non-Current Assets</b>					
Fixed Assets					
(i) Tangible Assets	3,317.94	3,425.21	3,523.80	3,414.71	3,523.89
(ii) Intangible Assets	92.74	80.22	89.27	82.24	100.50
(iii) Intangible assets under development	-	13.19	6.74	5.35	5.57
Non – Current Investments	1,202.35	1,199.35	1,099.35	650.15	37.96
Long-Term Loans and Advances	84.54	82.24	385.04	1,039.93	1,563.43
Trade Receivables	-	330.54	345.54	1,764.02	-
<b>Other Non-Current Assets</b>					
In Fixed Deposits	4.50	4.50	4.50	146.50	4.50
(maturity of more than 1 year)					
<b>Total Non - Current Assets – 1</b>	<b>4,702.07</b>	<b>5,135.25</b>	<b>5,454.24</b>	<b>7,102.89</b>	<b>5,235.84</b>
<b>2 Current Assets</b>					
Inventories	19,801.10	14,646.74	9,691.84	5,313.06	5,144.00
Trade Receivables	13,988.17	7,093.80	8,950.59	6,544.12	6,189.72
Cash and Cash Equivalents	59.49	100.68	645.18	634.68	1,847.47
Short-Term Loans and Advances	2,546.04	2,715.56	2,401.44	3,092.21	2,832.99
Other Current Assets	216.63	146.69	125.36	-	-
<b>Total Current Assets – 2</b>	<b>36,611.44</b>	<b>24,703.47</b>	<b>21,814.41</b>	<b>15,584.06</b>	<b>16,014.19</b>
<b>3 Non-Current Liabilities</b>					
Long-Term Borrowings	1,008.86	24.23	513.66	1,322.85	2,529.21
Long-Term Provisions	62.21	45.30	48.11	37.01	13.14
Deferred Tax Liabilities (Net)	847.90	507.55	486.34	449.46	403.68
<b>Total Non - Current Liabilities – 3</b>	<b>1,918.97</b>	<b>577.08</b>	<b>1,048.11</b>	<b>1,809.32</b>	<b>2,946.03</b>
<b>4 Current Liabilities</b>					
Short-Term Borrowings	14,114.53	10,991.58	8,768.36	8,289.82	8,090.30
Trade Payables	2,975.22	898.66	2,216.55	1,119.35	1,502.59
Other Current Liabilities	3,667.37	1,875.60	2,391.76	2,188.53	759.29
Short-Term Provisions	892.15	429.45	118.91	168.06	24.93
<b>Total Current Liabilities – 4</b>	<b>21,649.27</b>	<b>14,195.28</b>	<b>13,495.58</b>	<b>11,765.76</b>	<b>10,377.10</b>
<b>Net Worth - 1 + 2 - 3 - 4</b>	<b>17,745.27</b>	<b>15,066.35</b>	<b>12,724.96</b>	<b>9,111.87</b>	<b>7,926.90</b>
<b>5 Shareholders' Funds</b>					
<b>(A) Share Capital</b>					
Equity Share Capital	1,984.89	1,984.89	1,984.89	455.71	45.57
<b>(B) Reserves and Surplus</b>					
Capital Reserves on Demerger	-	-	-	1,081.32	1,491.46
Securities Premium Account	4,213.50	4,213.50	4,213.50	3,061.03	3,061.03
General Reserve	1,869.99	1,800.11	1,738.40	1,685.86	1,590.94
Credit Balance of Statement of Profit and Loss	9,676.89	7,067.84	4,788.16	2,827.95	1,737.89
<b>Net Worth</b>	<b>17,745.27</b>	<b>15,066.35</b>	<b>12,724.96</b>	<b>9,111.87</b>	<b>7,926.90</b>

**Statement of Standalone Profits and Loss (As Restated)**

		(₹ in lacs)				
Particulars		For the year ended March 31				
		2014	2013	2012	2011	2010
<b>1</b>	Revenue From Operations	26,333.70	21,332.04	18,051.78	15,492.60	10,160.39
<b>2</b>	Other Income	134.24	134.84	510.53	117.90	196.35
<b>3</b>	<b>Total Revenue (1 + 2)</b>	<b>26,467.93</b>	<b>21,466.88</b>	<b>18,562.31</b>	<b>15,610.50</b>	<b>10,356.74</b>
<b>4</b>	<b>Expenses:</b>					
	Direct Operational Expenses	21,668.14	17,615.05	14,888.95	10,205.22	6,198.29
	Changes in inventories	(5,154.36)	(4,954.90)	(4,378.78)	(169.05)	229.36
	Employee benefit expense	1,794.01	1,593.54	1,434.02	953.42	835.20
	Other expenses	1,511.56	1,340.06	1,492.70	1,159.53	1,051.87
	<b>Total (a)</b>	<b>19,819.36</b>	<b>15,593.75</b>	<b>13,436.88</b>	<b>12,149.12</b>	<b>8,314.72</b>
<b>5</b>	<b>Earnings before tax, depreciation and amortization (EBITDA) (3 - 4)</b>	<b>6,648.58</b>	<b>5,873.13</b>	<b>5,125.42</b>	<b>3,461.38</b>	<b>2,042.02</b>
<b>6</b>	Finance costs (b)	1,922.80	1,830.79	1,926.25	1,529.38	1,645.75
<b>7</b>	Depreciation and amortization expense (c)	296.27	298.09	294.44	271.21	268.15
<b>8</b>	<b>Total Expenses (a+b+c)</b>	<b>22,038.42</b>	<b>17,722.63</b>	<b>15,657.57</b>	<b>13,949.70</b>	<b>10,228.62</b>
<b>9</b>	<b>Profit Before Tax (5 - 6- 7)</b>	<b>4,429.51</b>	<b>3,744.24</b>	<b>2,904.74</b>	<b>1,660.80</b>	<b>128.12</b>
<b>10</b>	<b>Tax Expense:</b>					
	(1) Current Tax	1,293.25	1,264.56	938.32	323.11	-
	Less : MAT Credit	-	-	(199.34)	-	-
	(2) Fringe Benefit Tax	-	-	-	-	-
	(3) Deferred Tax	340.34	21.22	36.88	45.79	1.21
	(4) Wealth Tax	0.89	0.96	0.78	0.66	1.08
<b>11</b>	<b>Restated Profit for the Year (9 - 10)</b>	<b>2,795.03</b>	<b>2,457.50</b>	<b>2,128.11</b>	<b>1,291.25</b>	<b>125.83</b>
<b>12</b>	<b>Earnings Per Equity Share:</b>					
	(1) Basic	14.08	12.38	10.79	7.08	0.69
	(2) Diluted	14.08	12.38	10.79	7.08	0.69

**Statement of Standalone Cash Flow (As Restated)**

(₹ in lacs)

Particulars	For the year ended March 31				
	2014	2013	2012	2011	2010
<b>A Cash flow from operating Activities</b>					
Net profit / (loss) before tax	4,429.51	3,744.24	2,904.74	1,660.80	128.12
Adjustments for :					
Depreciation and amortization	296.27	298.09	294.44	271.21	268.15
Financial Expenses	1,922.80	1,830.79	1,926.25	1,529.38	1,645.75
Interest Income	(65.47)	(96.10)	(111.99)	(172.69)	(99.70)
Dividend Income	(0.90)	(0.90)	(0.90)	(0.90)	(1.05)
(Profit) / Loss on sale of Fixed Assets	0.08	0.55	2.49	(25.20)	2.17
(Profit) / Loss on sale of Investments	-	-	-	-	-
Provision for Taxation	-	-	(0.78)	(0.66)	-
Unrealised Foreign Exchange (Gain)/Loss	(22.34)	41.67	(65.21)	73.76	9.22
Provision for Leave Encashment	18.23	(2.55)	11.25	24.66	3.61
Provision for Gratuity	11.85	-	-	35.40	(0.01)
Liabilities no longer required written back	2.46	2.99	-	-	-
Miscellaneous Expenses written/off	-	-	-	-	-
<b>Operating profit / (loss) before working capital changes</b>	<b>6,592.49</b>	<b>5,818.78</b>	<b>4,960.28</b>	<b>3,395.76</b>	<b>1,956.27</b>
Adjustments for -					
Decrease / (Increase) in inventories	(5,154.36)	(4,954.90)	(4,378.78)	(169.05)	229.36
Decrease / (Increase) in Trade and Other receivables	(6,234.82)	1,286.01	(100.94)	(1,832.49)	(1,749.18)
(Decrease) / Increase in liabilities and provisions	3,890.60	(1,538.48)	1,210.34	1,115.35	852.45
<b>Cash generated from / (used in) operations</b>	<b>(906.09)</b>	<b>611.41</b>	<b>1,690.90</b>	<b>2,509.57</b>	<b>1,288.90</b>
Direct taxes (paid)/ Refund Received (Net)	(847.00)	(721.78)	(183.45)	(205.10)	(2.38)
<b>Net cash from / (used in) operating activities</b>	<b>(1,753.09)</b>	<b>(110.36)</b>	<b>1,507.45</b>	<b>2,304.46</b>	<b>1,286.52</b>
<b>B Cash flow from investing activities</b>					
(Purchase) of Fixed Assets	0.34	0.76	1.32	63.91	0.68
Proceeds from sale of investments	-	-	-	-	-
Purchase of Fixed assets including Capital WIP and Intangible assets under development	(188.77)	(198.21)	(415.76)	(182.26)	(68.97)
(Increase) / Decrease of fixed deposits	-	-	142.00	(342.00)	-
Dividend Income	0.90	0.90	0.90	0.90	1.05
Interest Income	65.47	96.10	111.99	172.69	99.70
Investments made in Associate Company	-	-	(449.20)	(612.19)	-
Investments made in Subsidiary Company	-	(100.00)	-	-	(26.88)
Loans given to subsidiaries	(161.78)	-	-	(82.08)	(21.49)
<b>Net cash used in investing activities</b>	<b>(283.84)</b>	<b>(200.46)</b>	<b>(608.74)</b>	<b>(981.04)</b>	<b>(15.90)</b>
<b>C Cash flow from financing activities</b>					
Issue of Shares for cash	-	-	40.51	-	-
Premium collected in cash on issue of of Share Capital	-	-	1,559.81	-	-
Share Application money pending allotment	-	-	-	-	-
Increase / (Decrease) of Long term Borrowings	984.63	(489.43)	(809.19)	(1,206.36)	(238.68)
Increase / (Decrease) of Short term Borrowings	3,122.95	2,223.22	478.54	199.52	993.12
Dividend Paid	(99.24)	(99.24)	(91.14)	-	-
Tax on Dividend Paid	(16.87)	(16.10)	(15.14)	-	-

Financial Expenses	(1,922.80)	(1,830.79)	(1,926.25)	(1,529.38)	(1,645.75)
Unamortised Expenses paid towards Fund Raising	(69.95)	(21.33)	(125.36)	-	-
<b>Net cash provided by financing activities</b>	<b>1,998.73</b>	<b>(233.68)</b>	<b>(888.20)</b>	<b>(2,536.22)</b>	<b>(891.32)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(38.19)</b>	<b>(544.50)</b>	<b>10.51</b>	<b>(1,212.79)</b>	<b>379.30</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>100.68</b>	<b>645.18</b>	<b>634.68</b>	<b>1,847.47</b>	<b>1,468.17</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>59.49</b>	<b>100.68</b>	<b>645.18</b>	<b>634.68</b>	<b>1,847.47</b>

Statement of Consolidated Assets and Liabilities (As Restated)

(₹ in lacs)

Particulars	As on March 31				
	2014	2013	2012	2011	2010
<b>1 Non-Current Assets</b>					
Fixed Assets					
(i) Tangible Assets	3,318.27	3,425.61	3,524.00	3,414.97	3,524.26
(ii) Intangible Assets	92.74	80.22	89.27	82.24	100.50
(iii) Intangible assets under development	-	13.19	6.74	5.35	5.57
Non – Current Investments	894.33	879.37	990.27	615.17	7.00
Long-Term Loans and Advances	84.54	94.62	397.83	1,040.33	1,563.43
Trade Receivables	-	330.54	345.54	1,764.02	-
<b>Other Non-Current Assets</b>					
In Fixed Deposits (maturity of more than 1 year)	4.50	4.50	4.50	146.50	4.50
<b>Total Non - Current Assets – 1</b>	<b>4,394.38</b>	<b>4,828.05</b>	<b>5,358.15</b>	<b>7,068.57</b>	<b>5,205.25</b>
<b>2 Current Assets</b>					
Inventories	20,050.90	14,646.74	9,691.84	5,313.06	5,144.00
Trade Receivables	14,055.39	7,093.52	9,125.95	6,680.59	6,078.53
Cash and Cash Equivalents	92.55	112.65	654.23	696.31	1,857.86
Short-Term Loans and Advances	2,426.55	2,699.40	2,289.40	2,996.50	2,811.80
Other Current Assets	216.63	146.69	125.36	-	28.59
<b>Total Current Assets – 2</b>	<b>36,842.02</b>	<b>24,699.00</b>	<b>21,886.79</b>	<b>15,686.47</b>	<b>15,920.78</b>
<b>3 Non-Current Liabilities</b>					
Long-Term Borrowings	1,008.86	24.23	513.66	1,322.85	2,529.21
Long-Term Provisions	62.21	45.30	48.11	37.01	13.14
Deferred Tax Liabilities (Net)	847.90	507.55	486.34	449.46	403.68
<b>Total Non - Current Liabilities – 3</b>	<b>1,918.97</b>	<b>577.08</b>	<b>1,048.11</b>	<b>1,809.32</b>	<b>2,946.03</b>
<b>4 Current Liabilities</b>					
Short-Term Borrowings	14,114.53	10,991.58	8,768.36	8,289.82	8,090.30
Trade Payables	3,064.46	898.66	2,284.16	1,248.73	1,505.60
Other Current Liabilities	3,800.77	1,792.59	2,415.75	2,204.85	779.60
Short-Term Provisions	892.15	429.45	118.91	168.06	24.93
<b>Total Current Liabilities – 4</b>	<b>21,871.91</b>	<b>14,112.27</b>	<b>13,587.18</b>	<b>11,911.46</b>	<b>10,400.42</b>
<b>Net Worth - 1 + 2 - 3 - 4</b>	<b>17,445.52</b>	<b>14,837.70</b>	<b>12,609.66</b>	<b>9,034.26</b>	<b>7,779.58</b>
<b>5 Shareholders' Funds</b>					
<b>(A) Share Capital</b>					
Equity Share Capital	1,984.89	1,984.89	1,984.89	455.71	45.57
<b>(B) Reserves and Surplus</b>					
Capital Reserves on Demerger	-	-	-	1,081.32	1,491.46
Securities Premium Account	4,213.50	4,213.50	4,213.50	3,061.03	3,061.03
Foreign Currency Translation Reserve	(2.07)	0.79	0.83	4.13	6.60
General Reserve	1,869.71	1,800.10	1,738.40	1,685.86	1,590.94
Credit Balance of Statement of Profit and Loss	9,379.48	6,838.41	4,672.03	2,746.21	1,583.97
<b>Net Worth</b>	<b>17,445.52</b>	<b>14,837.70</b>	<b>12,609.66</b>	<b>9,034.26</b>	<b>7,779.58</b>

**Statement of Consolidated Profits and Loss (As Restated)**

(₹ in lacs)

Particulars	For the year ended March 31				
	2014	2013	2012	2011	2010
<b>1</b> Revenue From Operations	26,460.79	21,473.90	18,201.11	15,824.39	10,167.84
<b>2</b> Other Income	134.25	135.02	510.54	117.91	196.36
<b>3 Total Revenue (1 + 2)</b>	26,595.03	21,608.92	18,711.65	15,942.30	10,364.20
<b>4 Expenses:</b>					
Direct Operational Expenses	22,028.03	17,672.58	14,927.96	10,364.20	6,229.42
Changes in inventories	(5,402.47)	(4,954.90)	(4,378.78)	(169.05)	229.36
Employee benefit expense	1,853.62	1,646.75	1,481.35	995.81	873.12
Other expenses	1,547.32	1,373.65	1,515.67	1,213.14	1,083.76
<b>Total (a)</b>	20,026.50	15,738.08	13,546.20	12,404.10	8,415.65
<b>5 Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) (3 -4)</b>	6,568.53	5,870.84	5,165.45	3,538.20	1,948.55
<b>6</b> Finance costs (b)	1,922.80	1,830.79	1,926.48	1,529.85	1,646.02
<b>7</b> Depreciation and amortization expense ( c)	296.43	298.21	294.53	271.34	268.58
<b>8 Total Expenses (a+b+c)</b>	22,245.72	17,867.08	15,767.22	14,205.29	10,330.25
<b>9 Profit / (Loss) Before Tax (5 - 6- 7)</b>	<b>4,349.31</b>	<b>3,741.84</b>	<b>2,944.43</b>	<b>1,737.01</b>	<b>33.95</b>
<b>10 Tax Expense:</b>					
(1) Current Tax	1,293.25	1,264.56	938.32	323.11	-
Less : MAT Credit	-	-	(199.34)	-	-
(2) Fringe Benefit Tax	-	-	-	-	-
(3) Deferred Tax	340.34	21.22	36.88	45.79	1.21
(4) Wealth Tax	0.89	0.96	0.78	0.66	1.08
<b>Total Tax Expense</b>	<b>1,634.48</b>	<b>1,286.74</b>	<b>776.63</b>	<b>369.55</b>	<b>2.29</b>
<b>11 Restated Profit after Tax (9 - 10)</b>	<b>2,714.83</b>	<b>2,455.10</b>	<b>2,167.80</b>	<b>1,367.46</b>	<b>31.66</b>
<b>12 Share of Profit / (Loss) in Associate Company</b>	11.96	(110.90)	(74.09)	(4.02)	-
<b>13 Profit for the year after adjusting Profit / (Loss) of Associate Company</b>	<b>2,726.78</b>	<b>2,344.19</b>	<b>2,093.71</b>	<b>1,363.44</b>	<b>31.66</b>
<b>14 Earnings Per Equity Share:</b>					
(1) Basic	13.74	11.81	10.62	7.48	0.17
(2) Diluted	13.74	11.81	10.62	7.48	0.17

**Statement of Consolidated Cash Flow (As Restated)**

(₹ in lacs)

Particulars	For the year ended March 31				
	2014	2013	2012	2011	2010
<b>A Cash flow from operating Activities</b>					
Net profit / (loss) before tax	4,349.31	3,741.84	2,944.43	1,737.01	33.95
Adjustments for :					
Depreciation and amortization	296.43	298.21	294.53	271.34	276.43
Financial Expenses	1,922.80	1,830.79	1,926.48	1,529.85	1,646.02
Interest Income	(65.47)	(96.10)	(112.00)	(172.69)	(99.71)
Dividend Income	(0.90)	(0.90)	(0.90)	(0.90)	(1.05)
(Profit) / Loss on sale of Fixed Assets	0.08	0.55	2.49	(25.20)	2.17
Liabilities no longer required written back	2.46	2.99	-	-	-
Provision for Taxation	-	-	(0.78)	(0.66)	-
Unrealised Foreign Exchange (Gain)/Loss	(25.28)	41.64	(54.32)	71.26	15.85
Loss / (Gain) on translation of foreign currency monetary assets and liabilities	-	-	-	-	(2.44)
Provision for Leave Encashment	18.23	(2.55)	11.25	24.66	3.61
Provision for Gratuity	11.85	-	-	35.40	(0.01)
Non Cash Expenses			-	21.62	-
<b>Operating profit / (loss) before working capital changes</b>	<b>6,509.51</b>	<b>5,816.46</b>	<b>5,011.18</b>	<b>3,491.70</b>	<b>1,874.82</b>
Adjustments for -					
Decrease / (Increase) in inventories	(5,191.22)	(4,954.90)	(4,378.78)	(169.05)	229.36
Decrease / (Increase) in Trade and Other receivables	(6,422.19)	1,507.69	(166.65)	(2,063.68)	(1,736.74)
(Decrease) / Increase in liabilities and provisions	4,013.72	(1,754.59)	1,172.79	1,220.23	831.42
<b>Cash generated from / (used in) operations</b>	<b>(1,090.17)</b>	<b>614.66</b>	<b>1,638.54</b>	<b>2,479.19</b>	<b>1,198.86</b>
Direct taxes (paid)/ Refund Received (Net)	(847.00)	(721.78)	(183.45)	(205.10)	(2.38)
<b>Net cash from / (used in) operating activities</b>	<b>(1,937.17)</b>	<b>(107.12)</b>	<b>1,455.09</b>	<b>2,274.10</b>	<b>1,196.48</b>
<b>B Cash flow from investing activities</b>					
Proceeds from sale of Fixed Assets	0.34	1.31	3.81	38.71	2.86
Proceeds from sale of investments	-	-	-	-	-
Profit / (Loss) on sale of Fixed Assets	-	(0.55)	(2.49)	25.20	(2.17)
Purchase of Fixed assets including Capital WIP and Intangible assets under development	(188.77)	(198.55)	(415.76)	(182.26)	(69.34)
(Increase) / Decrease of fixed deposits	-	-	142.00	(342.00)	-
Dividend Income	0.90	0.90	0.90	0.90	1.05
Interest Income	65.47	96.10	112.00	172.69	99.71
Investments made in bank shares	(3.00)	-	-	-	-
Investments made in Associate Company	-	-	(449.20)	(612.19)	-
<b>Net cash used in investing activities</b>	<b>(125.05)</b>	<b>(100.79)</b>	<b>(608.73)</b>	<b>(898.94)</b>	<b>32.11</b>
<b>C Cash flow from financing activities</b>					
Issue of Shares for cash	-	-	40.51	-	-
Premium collected in cash on issue of of Share Capital	-	-	1,559.81	-	-
Share Application money pending allotment	-	-	-	-	-
Increase / (Decrease) of Long term Borrowings	984.63	(489.43)	(809.19)	(1,206.36)	(238.68)
Increase / (Decrease) of Short term Borrowings	3,166.34	2,123.21	478.54	199.52	993.12
Dividend Paid	(99.24)	(99.24)	(91.14)	-	-
Tax on Dividend Paid	(16.87)	(16.10)	(15.14)	-	-
Financial Expenses	(1,922.80)	(1,830.79)	(1,926.48)	(1,529.85)	(1,646.02)
Unamortised Expenses paid towards Fund Raising	(69.95)	(21.33)	(125.36)	-	-
<b>Net cash provided by financing activities</b>	<b>2,042.12</b>	<b>(333.68)</b>	<b>(888.44)</b>	<b>(2,536.70)</b>	<b>(891.59)</b>

<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(20.10)</b>	<b>(541.59)</b>	<b>(42.08)</b>	<b>(1,161.55)</b>	<b>337.00</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>112.65</b>	<b>654.23</b>	<b>696.31</b>	<b>1,857.86</b>	<b>1,520.86</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>92.55</b>	<b>112.65</b>	<b>654.23</b>	<b>696.31</b>	<b>1,857.86</b>



## THE ISSUE

The following table summarizes the Issue details:

<b>Public Issue aggregating to ₹ 12,000 lakhs</b>	7,333,332 Equity Shares
Issue of 7,333,332 Equity Shares, aggregating to ₹ 12,000 lakhs	
<i>Of which:</i>	
<b>QIB Portion</b>	3,529,411 Equity Shares
<i>Of which:</i>	
Anchor Investor Portion	2,117,605 Equity Shares <sup>**</sup>
<b>Net QIB Portion</b> (assuming Anchor Investor Portion is fully subscribed)	1,411,806 Equity Shares
<i>Of which:</i>	
Mutual Fund Portion	70,591 Equity Shares
Balance for all QIBs including Mutual Funds	1,341,215 Equity Shares
<b>Non-Institutional Portion<sup>(1)</sup></b>	Not less than 1,058,823 Equity Shares
<b>Retail Portion<sup>(1)(2)</sup></b>	Not less than 2,745,098 Equity Shares
<b>Pre and post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	1,98,48,904 Equity Shares
Equity Shares outstanding after the Issue	2,71,82,236 Equity Shares
<b>Use of proceeds of this Issue</b>	See the section titled “Objects of the Issue” beginning on page 81 of this Prospectus.

<sup>\*\*</sup> Our Company may in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see the section titled “Issue Procedure” beginning on page 344 of this Prospectus. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

<sup>(1)</sup> Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

<sup>(2)</sup> A discount of 10% to the Issue Price, i.e. ₹ 17 per Equity Share has been offered to Retail Individual Bidders at the time of Bidding. The Price Band, the minimum bid lot and the Retail Discount was decided by our Company in consultation with the Book Running Lead Managers and was advertised at least five Working Days prior to the Bid/Issue Opening Date. Retail Individual Bidders shall make the payment towards their Bid net of Retail Discount, i.e., Bid Amount less Retail Discount, at the time of making the Bid.

## GENERAL INFORMATION

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 on December 23, 2005 with the name Shemaroo Holdings Private Limited. Subsequently, pursuant to a Scheme of Arrangement approved by the Hon'ble High Court of Bombay vide its order dated March 7, 2008 and by a special resolution of our shareholders dated May 28, 2008, the name of our Company was changed to Shemaroo Entertainment Private Limited and a fresh certificate of incorporation consequent to the change of name was granted on June 3, 2008 by the RoC. Thereafter, pursuant to a special resolution of our shareholders dated March 26, 2011, our Company was converted to a public limited company and a fresh certificate of incorporation consequent to the change of status was granted on April 1, 2011 by the RoC. For further details, see the section titled "History and Certain Corporate Matters" on page 134 of this Prospectus.

### Registered and Corporate Office

Shemaroo House,  
Plot No.18,  
Marol Co-operative Industrial Estate,  
Off Andheri Kurla Road,  
Andheri East, Mumbai- 400059  
Telephone: +91 22 4031 9911  
Facsimile: +91 22 28519770  
E-mail: [compliance.officer@shemaroo.com](mailto:compliance.officer@shemaroo.com)  
Website: [www.shemarooent.com](http://www.shemarooent.com)  
Registration Number: 158288  
Corporate Identity Number: U67190MH2005PLC158288

For further details relating to changes in our registered office, see the section titled "History and Certain Corporate Matters - Changes in Registered Office" on page 135 of this Prospectus.

### Address of the RoC

The RoC is located at the following address:

The Registrar of Companies  
100, Everest, Marine Drive,  
Mumbai- 400 002  
India.  
Telephone: +91 22 2284 6955  
Facsimile: +91 22 2281 1977  
Email: [roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)

### Board of Directors

Our Board comprises of the following:

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships
<b>Mr. Buddhichand Maroo</b>  <b>Designation:</b> Chairman  <b>Father's Name:</b> Mr. Hirji Devji Shah  <b>Date of Appointment:</b> May 26, 2008  <b>Term:</b> Retiring by rotation  <b>Occupation:</b> Philanthropist  <b>Address:</b> 14 <sup>th</sup> and 15 <sup>th</sup> Floor, Mount Pleasant, 586 A, Lady Jehangir Road, Five Gardens, Mumbai-400019  <b>DIN:</b> 00169319	74	Non-Executive Director	1. Shemaroo Holdings Private Limited

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships
<b>Mr. Raman Maroo</b> <b>Designation:</b> Managing Director <b>Father's Name:</b> Mr. Hirji Devji Shah <b>Date of Appointment:</b> December 23, 2005 <b>Term:</b> Re-appointed as managing director for a period of 5 years from January 1, 2011 <b>Occupation:</b> Business <b>Address:</b> 21-22 A Woodlands, 67 Dr. G Deshmukh Marg, Mumbai- 400026 <b>DIN:</b> 00169152	63	Executive Director	1. Atlas Equifin Private. Limited; 2. Shemaroo Films Private Limited; 3. Mitoch Pharma Private Limited; 4. Novatech Finvest (India) Private Limited; 5. Orbit Corporation Limited; 6. Shemaroo Holdings Private Limited; 7. Namaste America - Indo American Association for Art and Culture; 8. Malabar Hill Club Limited; 9. Talwalkars Better Value Fitness Limited; and 10. Think Walnut Digital Private Limited.
<b>Mr. Atul Maru</b> <b>Designation:</b> Joint Managing Director <b>Father's Name:</b> Mr. Hirji Devji Shah <b>Date of Appointment:</b> December 23, 2005 <b>Term:</b> Re-appointed as Joint managing director for a period of 5 years from January 1, 2011 <b>Occupation:</b> Business <b>Address:</b> 51, 25 <sup>th</sup> floor, Ushakiran, 15 M.L Dhanukar Marg, Mumbai- 400026 <b>DIN:</b> 00169264	53	Executive Director	1. Think Walnut Digital Private Limited; 2. Shemaroo Films Private Limited; 3. Shemaroo Holdings Private Limited; and 4. Video Federation of India.
<b>Mr. Hiren Gada</b> <b>Designation:</b> Wholetime Director & Chief Financial Officer <b>Father's Name:</b> Mr. Uday Gada <b>Date of Appointment:</b> May 26, 2008, <b>Term:</b> Appointed as Whole-time Director for a period of 5 years from January 1, 2011 and as a Chief Financial Officer with effect from May 29, 2014.	44	Executive Director	1. Vistaas Digital Media Private Limited; 2. Shemaroo Films Private Limited; 3. Think Walnut Digital Private Limited; and 4. Kiron Servepreneures Private Limited. <b>Foreign Companies:</b>

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships
<b>Occupation:</b> Business  <b>Address:</b> 1101, Shreenidhi, 76 Bhaudaji Road, Opposite Pioneer High School, Matunga, Mumbai-400019  <b>DIN:</b> 01108194			1. Shemaroo Entertainment (UK) Private Limited; and  2. Shemaroo Entertainment Inc.
<b>Mr. Jai Maroo</b>  <b>Designation:</b> Director  <b>Father's Name:</b> Mr. Buddhichand Maroo  <b>Date of Appointment:</b> May 26, 2008  <b>Term:</b> Retiring by rotation  <b>Occupation:</b> Business  <b>Address:</b> 50 Bayshore Road, #22-01, Bayshore Park, Singapore- 469 977, Singapore  <b>DIN:</b> 00169399	40	Non-Executive Director	1. Shemaroo Holdings Private Limited;  2. Shemaroo Films Private Limited; and  3. Think Walnut Digital Private Limited.  <b>Foreign Companies:</b>  1. Dyxlar (Singapore) Pte Limited; 2. Shemaroo Entertainment (UK) Private Limited; and 3. Shemaroo Entertainment Inc.
<b>Mr. Jayesh Parekh</b>  <b>Designation:</b> Director  <b>Father's Name:</b> Mr. Arvind Parekh  <b>Date of Appointment:</b> August 29, 2011  <b>Term:</b> Re-appointed as an Independent Director for a period of 5 years from May 26, 2014  <b>Occupation:</b> Business  <b>Address:</b> 114A Arthur Road, #21-08, Singapore - 439 826, Singapore  <b>DIN:</b> 01353278	59	Independent Director	1. Atlas Equifin Private Limited  <b>Foreign Companies:</b>  1. Apollo Televisions Pte Ltd.; 2. Jungle Ventures Pte Ltd.; 3. One Animation Pte Ltd.; 4. Apollo Television GmbH; 5. Aavishkaar India II Company Limited; 6. Picdot Pte Ltd.; and 7. Milaap Social Ventures Pte. Ltd.
<b>Mr. Gnanesh Gala</b>  <b>Designation:</b> Director  <b>Father's Name:</b> Mr. Dungarshi Gala  <b>Date of Appointment:</b> August 29, 2011  <b>Term:</b> Re-appointed as an Independent Director for a period of 5 years from May 26, 2014  <b>Occupation:</b> Business  <b>Address:</b> LAKHENI, 21 <sup>st</sup> Floor, K.M. Munshi Marg, Chowpatty, Mumbai 400 007  <b>DIN:</b> 00093008	51	Independent Director	1. PRI Holdings Private Limited;  2. eSense Learning Private Limited;  3. Alpha Buisness Consultants Private Limited;  4. K-12 Techno Service Private Limited;  5. Kutchi Angel Network Private Limited;  6. Deltecs Infotech Private Limited; and  7. Navneet Education Limited

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships
<b>Mr. Vasanji Mamania</b> <b>Designation:</b> Director <b>Father's Name:</b> Mr. Asaria Mamania <b>Date of Appointment:</b> August 29, 2011 <b>Term:</b> Re-appointed as an Independent Director for a period of 5 years from May 26, 2014 <b>Occupation:</b> Business <b>Address:</b> R/o 301, Mangal Swagat, Off Perry Road, Bandra (W), Mumbai - 400050 <b>DIN:</b> 00013071	76	Independent director	1. Mamania Films Private Limited; 2. Adlabs Shringar Multiplex Cinemas Private Limited; and 3. Shivam Sundaram Developers and Realtors Private Limited.
<b>Mr. Shashidhar Sinha</b> <b>Designation:</b> Director <b>Father's Name:</b> Mr. Jamna Narain Sinha <b>Date of Appointment:</b> August 29, 2011 <b>Term:</b> Re-appointed as an Independent Director for a period of 5 years from May 26, 2014 <b>Occupation:</b> Business <b>Address:</b> 905, Bldg. No. 13, Indradarshan Phase II, Lokhandwala Complex, Andheri(W), Mumbai 400053 <b>DIN:</b> 00953796	56	Independent Director	1. FCB-ULKA Advertising Private Limited; 2. Interface Communications Private Limited; 3. Audit Bureau of Circulations; 4. Jagran Prakashan Limited; 5. Mediabrands India Private Limited; 6. Reprise Media India Private Limited. 7. The Advertising Standards Council of India; 8. Cadreon India Private Limited; and 9. Interactive Avenues Private Limited.
<b>Mr. Kirit Gala</b> <b>Designation:</b> Director <b>Father's Name:</b> Mr. Vishanji Harshi Gala <b>Date of Appointment:</b> August 29, 2011 <b>Term:</b> Re-appointed as an Independent Director for a period of 5 years from May 26, 2014 <b>Occupation:</b> Business <b>Address:</b> 161/162-Dhanistha, Tarangan Complex, Shahid Mangal Pandey Road, Thane (W) -400606 <b>DIN:</b> 01540274	51	Independent Director	1. Gala Precision Engineering Private Limited; 2. Gala Springs Private Limited; 3. Kutchi Angel Networks Private Limited; 4. Deltecs Infotech Private Limited; and 5. Trans Retail Ventures Private Limited

For further details and profile of our Directors, see the section titled “Our Management” on page 145 to 156 of this Prospectus.

### **Company Secretary and Compliance Officer**

Our Company Secretary and Compliance Officer is Mr. Ankit Singh.

His contact details are as follows:

Shemaroo House,  
Plot No.18,  
Marol Co-operative Industrial Estate,  
Off Andheri Kurla Road,  
Andheri East,  
Mumbai- 400059.  
Telephone: +91 22 4031 9911  
Facsimile: +91 22 4031 9794  
E-mail: compliance.officer@shemaroo.com

### **Wholetime Director and Chief Financial Officer**

Mr. Hiren Gada  
1101, Shreenidhi,  
76 Bhaudaji Road,  
Opposite Pioneer High School,  
Matunga, Mumbai- 400019

Investors can contact the Compliance Officer or the Registrar to the Issue or the BRLMs in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account or refund orders.

All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form was submitted.

For all Issue related queries and for redressal of complaints, Bidders may also write to the BRLMs. All complaints, queries or comments received by SEBI shall be forwarded to the BRLMs, who shall respond to the same. The details of the BRLMs are as follows:

<b>Book Running Lead Managers / Syndicate Members</b>	
<b>YES Bank Limited</b> YES Bank Tower IFC 2, 18th Floor Elphinstone (W) Senapati Bapat Marg Mumbai - 400013 Telephone: +91 22 3366 9000 Facsimile: +91 22 24214508 Email Id: dlshemarooipo@yesbank.in Website: www.yesbank.in Investor Grievance Id: merchantbanking@yesbank.in Contact Person: Mr. Ankur Singla SEBI Registration No. INM000010874	<b>ICICI Securities Limited</b> ICICI Centre, H.T. Parekh Marg Churchgate Mumbai 400 020 Telephone: +91 22 2288 2460 Facsimile: +91 22 2282 6580 Email Id: shemaroo.ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance Id: customercare@icicisecurities.com Contact Person: Ms. Payal Kulkarni SEBI Registration No.: INM000011179

<b>Legal Counsel to the Issue</b>
<b>J. Sagar Associates</b> Vakils House, 18 Sprott Road Ballard Estate Mumbai - 400 001 Telephone: +91 22 4341 8600 Facsimile: +91 22 4341 8617

<b>Advisor to our Company</b>
<b>S. H. Bathiya &amp; Associates</b> Chartered Accountants 2, Tardeo AC Market, 4 <sup>th</sup> floor, Tardeo, Mumbai - 400 034 Telephone: +91 22 4004 5494 Facsimile: +91 22 4275 8080

<b>Registrar to the Issue</b>
<b>Link Intime India Private Limited</b> C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai 400 078 Telephone No.: +91 22 6171 5400 Facsimile.: +91 22 2596 0329 Email Id: shemaroo.ipo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance Id: shemaroo.ipo@linkintime.co.in Contact Person: Mr. Sachin Achar SEBI Registration No.: INR000004058

<b>Escrow Collection Banks / Bankers to the Issue</b>	
<b>YES Bank Limited</b> 3 <sup>rd</sup> Floor, Building No.8, Tower 8, DLF Cyber City, Gurgaon – 12202 Tel: (91 124) 4619 119/205 Fax: (91 22) 2421 4504 Email: dlbtiservices@yesbank.in Website: www.yesbank.in Contact Person: Mr. Varun Kathuria/Qumarey Khan SEBI Registration No.: INBI00000935	<b>ICICI Bank Limited</b> Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai 400 020 Tel: (91 22) 2285 9932 Fax: (91 22) 2261 1138 Email: rishav.bagrecha@icicibank.com Website: www.icicibank.com Contact Person: Mr. Rishav Bagrecha SEBI Registration No.: INBI00000004
<b>HDFC Bank Limited</b> FIG-OPS Department – Lodha, I Think Techno Campus, O-3, Level, Next to Kanjumarg Railway Station Kanjumarg (East), Mumbai 400 042 Tel: (91 22) 3075 2928 Fax: (91 22) 2579 9801 Email: uday.dixit@hdfcbank.com Website: www.hdfcbank.com Contact Person: Mr. Uday Dixit SEBI Registration No.: INBI000000063	

<b>Refund Banker</b>
<b>HDFC Bank Limited</b> FIG-OPS Department – Lodha, I Think Techno Campus, O-3, Level, Next to Kanjumarg Railway Station Kanjumarg (East), Mumbai 400 042 Tel: (91 22) 3075 2928 Fax: (91 22) 2579 9801 Email: uday.dixit@hdfcbank.com Website: www.hdfcbank.com Contact Person: Mr. Uday Dixit SEBI Registration No.: INBI000000063

## Self Certified Syndicate Banks

The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations, and a list of which is available on <http://www.sebi.gov.in> or at such other website as may be prescribed by SEBI from time to time.

Auditor to our Company	
<b>M. K. Dandeker &amp; Co.</b> Chartered Accountants New 244 (138) Angappa Naicken Street, Chennai-600 001 Telephone: +91 44 25222100 Facsimile: +91 44 25220721 Email Id: dandeker@vsnl.com Registration No.: 000679S	

Bankers to our Company	
<b>The NKGSB Co-op Bank Limited</b> Laxmi Sadan, 361, V P Road, Girgaum Mumbai 400 004 Telephone: +91 22 2380 0723/2389 8193 Facsimile: +91 22 2389 3911 Email: veenapai@nkgbsb-bank.com Website: www.nkgbsb-bank.com	<b>Bank of India</b> Mumbai Mid Corporate Branch, Mezzanine Floor, 70/80, BOI Building, M.G. Road, Fort, Mumbai – 400 001 Tel: +91 22 22651622 Facsimile: +91 22 22692196/22672979 Email: mcb.mumbaisouth@bankofindia.co.in Website: <a href="http://www.bankofindia.com">www.bankofindia.com</a>
<b>Deutsche Bank A.G.</b> Ground floor, Kodak House, 222 Dr. D.N. Road, Fort, Mumbai- 400 001 Tel: +91 22 6670 6471 Facsimile: +91 22 2207 4198 Email: rajendra.verma@db.com Website: www.deutschebank.co.in	<b>The Shamrao Vithal Co-Operative Bank Limited</b> Shop No. 11, 12, 30 & 31, Ground floor, Sagar Tech Plaza, A Premises CHS Limited, Andheri Kurla Road, Sakinaka, Mumbai -400 072 Telephone: +91 22 2852 2508/2859 3310 Facsimile: +91 22 2852 0708 Email: bapatrv@svcbank.com Website: www.svcbank.com
<b>HDFC Bank Limited</b> Trade World, “A” Wing, 2 <sup>nd</sup> , Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Tel: +91 9324737404 Facsimile: + 91 22 24960773 Email: <a href="mailto:shyamal.singh@hdfcbank.com">shyamal.singh@hdfcbank.com</a> Website: <a href="http://www.hdfcbank.com">www.hdfcbank.com</a>	<b>Export Import Bank of India</b> Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai – 400 005 Tel: +91 22 22172600 Facsimile: +91 22 22188076 Email: cbg@eximbankindia.in Website: <a href="http://www.eximbankindia.in">www.eximbankindia.in</a>

## Statement of Responsibilities of the Book Running Lead Managers

The responsibilities and co-ordination for various activities in this Issue is as follows:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with relative components and formalities such as type of instruments., etc.	YES Bank, ICICI Securities	YES Bank
2.	Due-diligence of our Company including its operations/management/business plans/legal, etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus including memorandum containing salient features of the Prospectus. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI, including finalisation of Prospectus and the RoC filing	YES Bank, ICICI Securities	



3.	Drafting and approval of all statutory advertisements and non statutory publicity material including corporate advertisements, corporate films, brochures, etc.	YES Bank, ICICI Securities	YES Bank
4.	Preparation and finalization of the road-show presentation and frequently asked questions for the road-show team	YES Bank, ICICI Securities	ICICI Securities
5.	Appointment of intermediaries, viz., i. Legal Counsel ii. Printer(s) iii. Registrar iv. Advertising agency and v. Bankers to the Issue	YES Bank, ICICI Securities	ICICI Securities
6.	Non-institutional and retail marketing of the Offer, which will cover, <i>inter alia</i> , • Formulating marketing strategies, preparation of publicity budget • Finalizing media and public relations strategy • Finalizing centres for holding conferences for brokers, etc. • Follow-up on distribution of publicity and Offer material including application form, prospectus and deciding on the quantum of the Offer material • Finalizing collection centres	YES Bank, ICICI Securities	ICICI Securities
7.	International Institutional marketing  International Institutional marketing of the Offer, which will cover, <i>inter alia</i> ,  Institutional marketing strategy Finalizing the list and division of investors for one to one meetings, and Finalizing road show schedule and investor meeting schedules	YES Bank, ICICI Securities	ICICI Securities
8.	Domestic Institutional marketing Domestic Institutional marketing of the Offer Finalizing the list and division of investors for one to one meetings	YES Bank, ICICI Securities	ICICI Securities
9.	Co-ordination with Stock Exchanges for Book Building Process software, bidding terminals and mock trading	YES Bank, ICICI Securities	ICICI Securities
10.	Managing the book and finalisation of pricing in consultation with our Company	YES Bank, ICICI Securities	ICICI Securities
11.	Post bidding activities including management of escrow accounts, co-ordination of allocation, finalization of basis of allotment / weeding out of multiple applications, intimation of allocation and dispatch of refunds to bidders, dealing with the various agencies connected with the work such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks and the bank handling refund business etc. The designated coordinating Book Running Lead Manager shall be responsible for ensuring that the intermediaries fulfil their functions and enable him to discharge this responsibility through suitable agreements with our Company*.	YES Bank, ICICI Securities	YES Bank

\* In case of under-subscription in an issue, the Book Running Lead Managers shall be responsible for invoking underwriting obligations and ensuring that the notice for devolvement containing the obligations of the Underwriters is issued in terms of the SEBI Regulations.

### Monitoring Agency

As the Issue size will not exceed ₹ 50,000 lakhs, the appointment of Monitoring Agency would not be required under Regulation 16 (1) of the SEBI Regulations.

### Expert

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Auditor, namely, M/s M.K. Dandeker & Co., Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in this Prospectus in relation to: (i) the

examination report for our audited and restated standalone financial statements as of Financial Years ended March 31, 2010, 2011, 2012, 2013 and 2014, (ii) the examination report for our audited and restated consolidated financial statements as of Financial Years ended March 31, 2010, 2011, 2012, 2013 and 2014, (iii) statement of tax benefits as provided by the Auditors, and (iv) certificate that the Equity Shares issued to our Promoters pursuant to the bonus issues dated March 26, 2011 and August 29, 2011 are eligible for Promoter's Contribution under Regulation 32 of the SEBI Regulations, included in this Prospectus and such consent has not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

### **Project Appraisal**

None of the objects of the Issue have been appraised.

### **Credit Rating**

As this is an issue of equity shares, credit rating is not required.

### **Book Building Process**

"Book building" refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid-cum-Application Forms. The Issue Price shall be determined by our Company in consultation with the BRLMs, after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- (1) our Company;
- (2) the BRLMs;
- (3) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as Underwriters;
- (4) Registrar to the Issue;
- (5) Bankers to the Issue;
- (6) SCSBs; and
- (7) Registered Brokers.

The Issue is being made through the Book Building Process, wherein 50% of the Issue shall be available for allocation on a proportionate basis to QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders according to SEBI Regulations, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third shall be reserved for allocation to domestic Mutual Funds only. For further details, see the section titled "Issue Procedure" on pages 349 to 351 of this Prospectus. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 1,000 lakhs. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 70,591 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

QIBs and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders have the option of participating through the ASBA process or non-ASBA process at their discretion. Anchor Investors are not permitted to participate through the ASBA process.

**In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw nor lower the size of their Bids at any stage. The Retail Individual Bidder can revise their Bids during the Bidding/Issue Period and withdraw their Bids until finalization of the Basis of Allotment.** For further details, see the sections titled "Issue Structure" and "Issue Procedure" beginning on pages 339 and 344 of this Prospectus, respectively.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for the Issue. In this

regard, our Company has appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

**The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.**

**Steps to be taken by the Bidders for Bidding:**

- Check eligibility for making a Bid. For further details, see the section titled “Issue Procedure” on pages 347 to 348 of this Prospectus.
- Please note that all Bidders other than Anchor Investors are entitled to Bid via ASBA. In this regard, see the section titled “Issue Procedure” beginning on page 344 of this Prospectus;
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum-Application-Form or the ASBA Form, as the case may be;
- Ensure that the Bid-cum-Application Form or ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
- Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) from the residents of the state of Sikkim (in accordance with to SEBI circular dated April 3, 2008), each of the Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details (as defined below) received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in active status; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. Applications in which the PAN is not mentioned will be rejected;
- Ensure the correctness of your Demographic Details, given in the Bid-cum-Application Form or ASBA Form, with the details recorded with your Depository Participant;
- Ensure the correctness of your PAN, beneficiary account number, DP ID and Client ID given in the Bid-cum-Application Form and the ASBA Form. Based on these parameters, the Registrar will obtain details of the Bidders from the Depositories including the Bidder’s name and bank account number, among others;
- Bidders can submit their Bids through ASBA either by submitting ASBA Forms to (i) the members of the Syndicate, in the event of a Bid at any of the Syndicate ASBA Centres only; (ii) the SCSBs with whom the ASBA Account is maintained; or (iii) by submitting the ASBA Forms at the Registered Broker Centres. Bids by ASBA Bidders to the SCSBs through physical ASBA will only be submitted at the Designated Branches. For further details see “Issue Procedure – Bid-cum-Application Form” on pages 345 to 347 of this Prospectus. ASBA Bidders should ensure that the specified bank accounts have adequate credit balance at the time of submission of the ASBA Form to the members of the Syndicate, sub-Syndicate or Registered Broker Centres or SCSB to ensure that their Bid is not rejected; and
- Bids by QIBs (excluding Anchor Investors) at any of the Syndicate ASBA Centres shall be submitted to the members of the Syndicate or to the Designated Branches of the SCSBs. Bids by QIBs (excluding Anchor Investors) through physical ASBA at any Bidding Centre other than a Syndicate ASBA Centre shall be submitted directly to the Designated Branches of the SCSBs. Bids by QIBs can be made by submitting applications at the Registered Broker Centres.

**Illustration of Book Building Process and the Price Discovery Process**

*(Investors should note that this example is solely for the purpose of illustration and is not specific to the Issue. This example also excludes Bidding by Anchor Investors)*

Bidders can bid at any price within the price band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres during the Bidding/Issue Period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, *i.e.* ₹ 22 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off, *i.e.* at or below ₹ 22. All bids at or above the issue price and cut-off price are valid bids and are considered for allocation in the respective categories.

### Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such event, our Company shall issue a public notice in an English language national daily newspaper, a Hindi language national daily newspaper, and a Marathi language daily newspaper, each with wide circulation, in which the pre-Issue advertisements were published, which shall include reasons for such withdrawal, within two days of closure of the Issue. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the ASBA Accounts.

Further, in the event of a withdrawal of the Issue, if our Company subsequently determines that it will proceed with an initial public offering of its Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC, after this Prospectus is filed with the RoC.

### Bid/Issue Programme

ISSUE OPENED ON*	SEPTEMBER 16, 2014
ISSUE FOR QIBS CLOSED ON	SEPTEMBER 18, 2014
ISSUE FOR RETAIL AND NON INSTITUTIONAL BIDDERS CLOSED ON	SEPTEMBER 18, 2014

\* The Anchor Investor Bidding Date was one Working Day prior to the Bid / Issue Opening Date, *i.e.* September 15, 2014.

Our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion, *i.e.* 2,117,605 Equity Shares, to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed. For further details, see the section titled “Issue Procedure” on pages 349 to 351 of this Prospectus.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids will be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding/Issue Period at the Bidding centres mentioned in the Bid-cum-Application Form, or in the case of ASBA Bidders, at the Designated Branches of the SCSBs, at the branches of the members of the Syndicate at the Syndicate ASBA centres or at the Registered Broker Centres, as the case may be, **except that on the Bid/Issue Closing Date (which for QIBs may be a day prior to the Bid/Issue Closing Date for other non-QIB Bidders), Bids will be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders and Retail Individual Bidders; and until (ii) 4.00 p.m. for Non-Institutional Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders other than QIB Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and no later than 12.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders other than QIB Bidders and Anchor Investors are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company, BRLMs and the members of the Syndicate will not be responsible. Bids will be accepted only on Working Days, *i.e.* Monday to Friday (excluding any public holiday).

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum-Application Forms and ASBA Forms as stated herein and reported by the BRLMs to the Stock Exchanges within half an hour of such closure.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI Regulations provided that the Cap Price shall be less than or equal to 120% of the revised Floor Price and the revised Floor Price shall not be less than the face value of the Equity Shares. Subject to compliance with the above-mentioned condition, the Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least five Working Days before the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

**In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional Working Days after revision of Price Band subject to the Bidding/Issue Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the SCSBs and the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate Members.**

#### **Underwriting Agreement**

After the determination of the Issue Price, but prior to filing of this Prospectus with the RoC, our Company has entered into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the Underwriters shall be responsible for bringing in the amount devolved in the event the respective Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded through its Syndicates/sub-Syndicates or at by submission of applications at the Registered Broker Centres, subject to Regulation 13 of the SEBI Regulations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated September 23, 2014. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

<b>Details of the Underwriters</b>	<b>Indicated Number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten (₹ in lakhs)</b>
<b>YES Bank Limited</b> YES Bank Tower IFC 2, 18th Floor Elphinstone (W) Senapati Bapat Marg Mumbai - 400013 Telephone: +91 22 3366 9000 Facsimile: +91 22 2421 4508 Email Id: dlshemarooipo@yesbank.in	1,764,706	3,000.00
<b>ICICI Securities Limited</b> ICICI Centre, H.T. Parekh Marg Churchgate Mumbai 400 020 Telephone: +91 22 2288 2460 Facsimile: +91 22 2282 6580 Email Id: shemaroo.ipo@icicisecurities.com	1,764,706	3,000.00
<b>Total</b>	<b>3,529,412</b>	<b>6,000.00</b>

*The above-mentioned amount is indicative and will be finalised after finalization of the 'Basis of Allotment'.*

In the opinion of our Board (based on a certificate given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board / IPO Committee, at its meeting held on September 23, 2014, has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the Underwriters will be required to procure/subscribe for Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

## CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Prospectus, before and after the Issue, is set forth below:

(₹ in lakhs except share data)

		Aggregate nominal value	Aggregate value at Issue Price
A)	<b>AUTHORISED SHARE CAPITAL</b>		
	3,00,00,000 Equity Shares	3000.00	-
B)	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	1,98,48,904 Equity Shares	1984.89	-
C)	<b>PRESENT ISSUE IN TERMS OF THIS PROSPECTUS</b>		
	Issue of 7,333,332 Equity Shares <sup>(a)#</sup>	733.33	12,000.00
	<i>Of which:</i>		
	QIB Portion of not more than 3,529,411 Equity Shares	352.94	6,000.00
	<i>Of which:</i>		
	Anchor Investor Portion is up to 2,117,605 Equity Shares <sup>(b)</sup>	211.76	3,599.93
	Net QIB Portion of up to 1,411,806 Equity Shares <sup>(c)</sup>	141.18	2,400.07
	<i>Of which:</i>		
	Mutual Fund Portion is 70,591 Equity Shares*	7.06	120.00
	Other QIBs (including Mutual Funds) is 1,341,215 Equity Shares*	134.12	2,280.07
	Non-Institutional Portion of not less than 1,058,823 Equity Shares*	105.88	1,800.00
	Retail Portion of not less than 2,745,098 Equity Shares <sup>**#</sup>	274.51	4,200.00
D)	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE</b>		
	2,71,82,236 Equity Shares <sup>#</sup>	2718.22	45,743.13
E)	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue	4,213.50	
	After the Issue <sup>**#</sup>	15,480.16	

<sup>\*</sup> Available for allocation on a proportionate basis, subject to valid Bids being received at or above the Issue Price.

<sup>\*\*</sup> Determination post finalization of the Issue Price.

<sup>#</sup> Retail Discount of 10% to the Issue Price, i.e. ₹17 per Equity Share has been offered to Retail Individual Bidders.

- (a) The Issue has been authorised by a resolution of our Board dated February 23, 2013, and by a special resolution passed pursuant to Section 81 (1A) of the Companies Act, 1956, at the EGM held on April 11, 2013.
- (b) Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see the section titled "Issue Procedure" on pages 349 to 351 of this Prospectus. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.
- (c) Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 70,591 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Issue Price.

### Changes in Authorised Share Capital

- (i) The initial authorized share capital of our Company of ₹1,00,000 comprising of 1,000 equity shares of ₹100 each was subdivided from equity shares of ₹100 each to ₹10 each pursuant to a resolution of the shareholders of our company dated December 3, 2007.
- (ii) The authorized share capital was increased from ₹ 1,00,000 divided into 10,000 equity shares of ₹ 10 each to ₹ 50,00,000 divided into 5,00,000 equity shares of ₹ 10 each pursuant to a resolution of the shareholders of our Company dated December 3, 2007.
- (iii) The authorized share capital was increased from ₹ 50,00,000 divided into 5,00,000 equity shares of ₹ 10 each to ₹ 100,00,000 comprising of 1,00,00,000 equity shares of ₹ 10 each pursuant to a resolution of the shareholders of our Company dated December 20, 2010

- (iv) The authorised share capital was increased from ₹ 10,00,00,000 comprising of 1,00,00,000 equity shares of ₹ 10 each to ₹ 30,00,00,000 comprising of 3,00,00,000 equity shares of ₹ 10 each pursuant to a resolution of the shareholders of our Company dated July 11, 2011

## Notes to the Capital Structure

### 1. Share Capital History

#### (i) History of equity share capital of our Company

The following table sets forth the history of Equity Share capital of our Company:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)	Cumulative share premium (₹)
December 23, 2005	1,000	100	100	Cash	Initial subscription to our Memorandum of Association <sup>(1)</sup>	1,000	1,00,000	Nil
1000 equity shares of ₹ 100 each Subdivided into 10,000 equity shares of ₹10 each on December 3, 2007 <sup>(2)</sup>						10,000	1,00,000	Nil
March 28, 2008	49,423	10	10	Cash	Preferential allotment <sup>(3)</sup>	59,423	5,94,230	Nil
March 31, 2008	3,50,714	10	N.A.	Other than cash	Allotment pursuant to the Scheme of Arrangement <sup>(4)</sup>	4,10,137	41,01,370	Nil
March 25, 2009	45,571	10	6,727.06*	Cash	Preferential allotment <sup>(5)</sup>	4,55,708	45,57,080	30,61,03,290
March 26, 2011	41,01,372	10	N.A.	Other than cash	Bonus issue of Equity Shares in the ratio 9:1 <sup>(6)</sup>	45,57,080	4,55,70,800	30,61,03,290
August 8, 2011	4,05,146	10	395.00	Cash	Preferential allotment <sup>(7)</sup>	49,62,226	4,96,22,260	46,20,84,500
August 29, 2011	1,48,86,678	10	N.A.	Other than cash	Bonus issue of Equity Shares in the ratio 3:1 <sup>(8)</sup>	1,98,48,904	19,84,89,040	42,13,50,080

\* Rounded off to two decimal points.

<sup>(1)</sup> Initial allotment of 500 equity shares each of face value of ₹100 each to Mr. Raman Maroo and Mr. Atul Maru

<sup>(2)</sup> Subdivision of 1000 Equity Shares of ₹100 each into 10,000 equity shares of ₹10 each.

<sup>(3)</sup> Preferential allotment of 41,013 Equity Shares of ₹10 each to Mr. Hiren Gada, 1,641 Equity Shares of ₹10 each to Mr. Hemant Karani, 2,051 Equity Shares of ₹10 each to Mr. Ketan Maru, 2,871 Equity Shares of ₹10 each to Mr. Vinod Karani, 821 Equity Shares of ₹10 each to Mr. Harakhchand Gada, 1,026 Equity Shares of ₹10 each to Mr. Bipin Dharod.

<sup>(4)</sup> Pursuant to the Scheme of Arrangement, 107,738 Equity Shares were allotted to Mr. Raman Maroo, 107,738 Equity Shares were allotted to Mr. Atul Maru, 77,738 Equity Shares were allotted to Mr. Buddhichand Maroo, 27,500 Equity Shares were allotted to Hirji Devji Shah (HUF) and 30,000 Equity Shares were allotted to Mr. Jai Maroo For further details about the scheme, see the section titled "History and Certain Corporate Matters" on pages 136 to 137 of this Prospectus.

<sup>(5)</sup> Preferential Allotment of 45,571 Equity Shares of ₹10 each to Technology and Media Group Pte Ltd

<sup>(6)</sup> Pursuant to the Bonus issue in the ratio of 9:1 allotment of 1,082,142 Equity Shares to Mr. Raman Maroo, 1,082,142 Equity Shares to Mr. Atul Maru, 804,447 Equity Shares to Buddhichand Maroo, 369,117 Equity Shares to Mr. Hiren Gada, 14,769 Equity Shares to Mr. Hemant Karani, 18,459 Equity Shares to Mr. Ketan Maru, 25,839 Equity Shares to Mr. Vinod Karani, 7,389 Equity Shares to Mr. Harakhchand Gada, 9,234 Equity Shares to Mr. Bipin Dharod, 277,695 Equity Shares to Mr. Jai Maroo and 410,139 Equity Shares to Technology and Media Group Pte Ltd.

<sup>(7)</sup> Pursuant to a preferential allotment, Equity Shares of ₹ 10 each at a premium of ₹ 385 were allotted to the following parties:

12,659 Equity Shares to Mr. Navin Shah, 25,318 Equity Shares to Shaan Realtors Private Limited, 12,659 Equity Shares to Triplecom Media Private Limited, 25,318 Equity Shares to Golden Future Investments Private Limited, 12,659 Equity Shares Mr. Mahendra Maru, 38,327 Equity Shares to Mr. Jayesh Parekh, 12,659 Equity Shares to Ms. Lata Iyer, 12,659 Equity Shares to Mr. Anil Shah, 12,659 Equity Shares to Seismograph Securities Private Limited, 12,659 Equity Shares to Mr. Vasanji Mamanian, 12,500 Equity Shares to Ms. Rupal Mehta, 2,500 Equity Shares to Mr. Nilesh Bharani, 2,500 Equity Shares to Ms. Lina Bharani, 2,500 Equity Shares to Ms. Ramila Bharani, 2,500 Equity Shares to Mr. Atul Bharani, 2,500 Equity Shares to Ms. Ami Bharani, 6,330 Equity Shares to Radhika Hotels Private Limited, 2,785 Equity Shares to Mr. Sanjay Shah, 1,266 Equity Shares to Ms. Jagruti Mehta,

12,658 Equity Shares to Mr. Prashant Desai, 12,600 Equity Shares to Bhaskar Chemicals Industries Private Limited, 22,784 Equity Shares to Mr. Raghvendra Mohta, 19,000 Equity Shares to Ajay Dilkush Sarupria, 2,531 Equity Shares to Intellivest Financial Services Private Limited, 12,658 Equity Shares to Mr. Vijay Biyani, 6,329 Equity Shares to Mr. Vijay Misquitta, 6,329 Equity Shares to Mr. Kamlesh Gupta, 6,329 Equity Shares to Mr. Sanjay Kohli, 1,250 Equity Shares to Mr. Chetan Shah, 7,600 Equity Shares to Antique Finsec Private Limited, 6,329 Equity Shares to Gian Finance Limited, 12,500 Equity Shares to Surplus Finvest Private Limited, 12,658 Equity Shares to Mr. Santosh Desai, 25,316 Equity Shares to Nikhil Prataprai Gandhi Family Trust, and 25,318 Equity Shares to Prince Polyplast Private Limited.

<sup>(8)</sup> Pursuant to the Bonus issue in the ratio of 3:1 allotment of 14,886,678 Equity Shares to the shareholders of our Company as on August 29, 2011.

## (ii) History of the preference share capital of our Company

There is no preference share capital in our Company.

## (iii) Shares issued for consideration other than cash

The details of Equity Shares issued for consideration other than cash is as follows:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Reasons for allotment	Allottees
March 31, 2008	3,50,714	10	N. A	Allotment pursuant to the Scheme of Arrangement <sup>(1)</sup>	Raman Maroo, Atul Maru, Buddhichand Maroo, Hirji Devji Shah (HUF) and Jai Maroo
March 26, 2011	41,01,372	10	N. A.	Bonus issue of Equity Shares in the ratio 9:1 <sup>(2)</sup>	Raman Maroo, Atul Maru, Hemant Karani, Ketan Maru, Vinod Karani, Harakhchand Gada, Bipin Dharod, Jai Maroo, Hiren Gada, Buddhichand Maroo and Technology and Media Group Pte Ltd.
August 29, 2011	1,48,86,678	10	N.A.	Bonus issue of Equity Shares in the ratio 3:1 <sup>(3)</sup>	Shareholders of our Company as on August 29, 2011.

<sup>(1)</sup> Pursuant to the Scheme of Arrangement, 107,738 Equity Shares were allotted to Mr. Raman Maroo, 1,07,738 Equity Shares were allotted to Mr. Atul Maru, 77,738 Equity Shares allotted to Mr. Buddhichand Maroo, 27,500 Equity Shares were allotted to Hirji Devji Shah (HUF) and 30,000 Equity Shares were allotted to Mr. Jai Maroo. For further details about the scheme, see the section titled "History and Certain Corporate Matters" on pages 136 to 137 of this Prospectus.

<sup>(2)</sup> Pursuant to the Bonus issue in the ratio of 9:1 allotment of 1,082,142 Equity Shares to Mr. Raman Maroo, 10,82,142 Equity Shares to Mr. Atul Maru, 804,447 Equity Shares to Buddhichand Maroo, 3,69,117 Equity Shares to Mr. Hiren Gada, 14,769 Equity Shares to Mr. Hemant Karani, 18,459 Equity Shares to Mr. Ketan Maru, 25,839 Equity Shares to Mr. Vinod Karani, 7,389 Equity Shares to Mr. Harakhchand Gada, 9,234 Equity Shares to Mr. Bipin Dharod, 2,77,695 Equity Shares to Mr. Jai Maroo, 4,10,139 Equity Shares to Technology and Media Group PTE Ltd.

<sup>(3)</sup> Pursuant to the Bonus issue in the ratio of 3:1 allotment of 1,48,86,678 Equity Shares to the shareholders of our Company as on August 29, 2011.

Except for the allotment made pursuant to the Scheme of Arrangement for the transfer and demerger of the entertainment business of our Group Company, Shemaroo Holdings Private Limited to our Company, no benefits have accrued to our Company out of the above issuances. For further details about the scheme, see the section titled "History and Certain Corporate Matters" on pages 136 to 137 of this Prospectus.

## 2. History of Build up, Contribution and Lock-in of Promoter

### (i) Build up of Promoters' shareholding in our Company

Set forth below are the details of the build up of shareholding of our Promoters:

Name of the promoter	Date of allotment/transfer*	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share** (₹)	Consideration	Nature of Transaction	Pre-Issue Percentage (%)	Post-Issue Percentage	Source of funds
Mr. Raman Maroo	December 23, 2005	500	10	100	Cash	Subscription to the Memorandum of Association of our Company	0.03	0.02	From personal funds of Mr.



Name of the Promoter	Date of allotment/transfer*	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price per Equity Share** (₹)	Consideration	Nature of Transaction	Pre-Issue Percentage (%)	Post-Issue Percentage	Source of funds
									Raman Maroo
	December 3, 2007	5,000	10	N.A.	Subdivision of equity shares from ₹ 100 each to ₹ 10 each.		0.03	0.02	N.A.
	March 31, 2008	1,07,738	10	N.A.	Other than Cash	Allotment of Equity Shares pursuant to Scheme of Arrangement	0.54	0.40	N.A.
	March 31, 2008	(1,929)	10	10	Cash	Transfer of equity shares to Mr. Buddhichand Maroo, Hirji Devji Shah (HUF) and Mr. Jai Maroo	(0.01)	(0.01)	N.A.
	September 30, 2009	9,429	10	N.A.	Distribution of Assets from HUF to Co-parceners	Transferred from Hirji Devji Shah (HUF)	0.05	0.03	N.A.
	March 26, 2011	10,82,142	10	N.A.	Other than cash	Bonus issue of Equity Shares in the ratio (9:1)	5.45	3.98	N.A.
	August 29, 2011	36,07,140	10	N.A.	Other than cash	Bonus issue of Equity shares in the ratio (3:1)	18.17	13.27	N.A.
<b>Total</b>		<b>4,809,520</b>					<b>24.23</b>	<b>17.69</b>	
Mr. Atul Maru	December 23, 2005	500	100	100	Cash	Subscription to the Memorandum of Association of our Company	0.03	0.02	From personal funds of Mr. Atul Maru
	December 3, 2007	5,000	10	N.A.	-	Subdivision of equity shares from ₹ 100 each to ₹ 10 each.	0.03	0.02	N.A.
	March 31, 2008	1,07,738	10	N.A.	Other than Cash	Allotment pursuant to Scheme of Arrangement	0.54	0.40	N.A.
	March 31, 2008	(1,929)	10	10	Cash	Transfer of Equity Shares to Mr. Buddhichand Maroo, Hirji Devji Shah (HUF) and Mr. Jai Maroo	(0.01)	(0.01)	N.A.
	September 30, 2009	9,429	10	N.A.	Distribution of assets from HUF to Co-parceners	Transfer of Equity Shares from Hirji Devji Shah (HUF)	0.05	0.03	N.A.
	March 26, 2011	10,82,142	10	N.A.	Other than cash	Bonus issue of Equity Shares in the ratio (9:1)	5.45	3.98	N.A.
	August 29, 2011	36,07,140	10	N.A.	Other than cash	Bonus issue of Equity shares in the ratio (3:1)	18.17	13.27	N.A.
<b>Total</b>		<b>48,09,520</b>					<b>24.23</b>	<b>17.69</b>	

\* The Equity Shares were fully paid on the date of their allotment

\*\* The Equity Shares held by our Promoters and offered as Promoters' Contribution are free from pledge.

## (ii) Details of Promoters' contribution locked-in for three years

Pursuant to Regulation 36(a) of the SEBI Regulations, Equity Shares aggregating 20% of the fully diluted post-Issue capital of our Company held by our Promoters shall be considered as promoters' contribution and locked-in for a period of three years from the date of Allotment, ("**Promoters' Contribution**"). Further, any Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

Our Promoters have pursuant to letters dated July 4, 2013 given their consent to include such number of Equity Shares held by them, in aggregate, as may constitute 20% of the post-Issue Equity Share capital of our Company as Promoters' Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing the Red Herring Prospectus with the RoC, until the commencement of the lock-in period specified above, or for such other time as required under SEBI Regulations.

Name of the Promoter	Date of allotment/ transfer *	Face value (₹)	Issue price per Equity Shares (₹)	Nature of allotment	No. of Equity Shares locked-in	Percentage of post-Issue Capital
Raman Maroo	December 23, 2005	10	100	Subscription to the Memorandum of Association of our Company	500	0.02%
	December 3, 2007	10	N.A.	Subdivision of equity shares from ₹ 100 each to ₹ 10 each.	5,000	0.02%
	March 31, 2008	10	N.A.	Allotment of Equity Shares pursuant to Scheme of Arrangement	1,07,738	0.40%
	March 31, 2008	10	10	Transfer of equity shares to Mr. Buddhichand Maroo, Hirji Devji Shah (HUF) and Mr. Jai Maroo	(1,929)	(0.01)%
	September 30, 2009	10	N.A.	Transferred from Hirji Devji Shah (HUF)	9,429	0.03%
	March 26, 2011	10	N.A.	Bonus issue of Equity Shares in the ratio (9:1)	10,82,142	3.98%
	August 29, 2011	10	N.A.	Bonus issue of Equity shares in the ratio (3:1)	15,16,844	5.58%
					<b>27,19,224</b>	<b>10.00%</b>
Atul Maru	December 23, 2005	10	100	Subscription to the Memorandum of Association of our Company	500	0.02%
	December 3, 2007	10	N.A.	Subdivision of equity shares from ₹ 100 each to ₹ 10 each.	5,000	0.02%
	March 31, 2008	10	N.A.	Allotment of Equity Shares pursuant to Scheme of Arrangement	1,07,738	0.40%
	March 31, 2008	10	10	Transfer of equity shares to Mr. Buddhichand Maroo, Hirji Devji Shah (HUF) and Mr. Jai Maroo	(1,929)	(0.01)%
	September 30, 2009	10	N.A.	Transferred from Hirji Devji Shah (HUF)	9,429	0.03%
	March 26, 2011	10	N.A.	Bonus issue of Equity Shares in the ratio (9:1)	10,82,142	3.98%
	August 29, 2011	10	N.A.	Bonus issue of Equity shares in the ratio (3:1)	15,16,844	5.58%
					<b>27,19,224</b>	<b>10.00%</b>
<b>Total</b>					<b>54,38,448</b>	<b>20.01%</b>

\* The Equity Shares were fully paid on the date of their allotment.

All the Equity Shares held by our Promoters are eligible for the Promoters' Contribution in terms of Regulation 32 of the SEBI Regulations.

Our Promoters Mr. Raman Maroo and Mr. Atul Maru each hold 48,09,520 Equity Shares, out of which 46,89,282 Equity Shares were pursuant to bonus issues of Equity Shares as detailed below :

- Bonus issue of ₹ 410.14 lakhs on March 26, 2011 was made by capitalisation of Capital Reserve on Demerger Account.
- Bonus issue of ₹ 1,488.66 lakhs on August 29, 2011 was made by capitalisation of Capital Reserve on Demerger Account to the tune of ₹ 1,081.32 lakhs and Securities Premium Account to the tune of ₹ 407.34 lakhs.

Capital Reserve on Demerger Account amounting to ₹1,491.47 lakhs was part of the reserve created on April 1, 2007 in Our books when all the assets and liabilities pertaining to whole of the entertainment business (other than one investment and bank balance) of Shemaroo Holdings Private Limited (Our Group Company) was transferred to our Company upon Demerger thereby leaving only share capital, an investment and bank balance in the books of Shemaroo Holdings Private Limited which is as explained below.

The whole of the entertainment business of Shemaroo Holdings Private Limited, (“**Transferor Company**”), was demerged to our Company with effect from the appointed date of April 1, 2007, pursuant to a scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956, as sanctioned by the Hon’ble High Court of Bombay, vide an order dated March 7, 2008, (“**Scheme of Arrangement**”). All the assets and liabilities pertaining to whole of the entertainment business, including the accumulated realized profits, were transferred by the Transferor Company on a going concern basis to our Company thereby leaving only share capital, an investment and bank balance in the books of Shemaroo Holdings Private Limited.

Break-up of revenue reserves of Shemaroo Holdings Private Limited on March 31, 2007 (prior to demerger of the entertainment business to our Company) was as follows:

As on March 31, 2007 (pre-Demerger)	₹ in lakhs
General Reserve Account	1,590.94
Accumulated Profit and Loss Account	2,199.63
Securities Premium Account	14.49
Reserve on Amalgamation Account*	1,512.05
<b>Total</b>	<b>5,317.11</b>

As a result of transfer of entertainment business to our Company, ₹ 5,282.04 lakhs was recorded as Capital Reserve on Demerger in the books of accounts of Our Company. This represented Free Reserves of Shemaroo Holdings Private Limited i.e. ₹ 5,317.11 lakhs less Share Capital issued to shareholders of Shemaroo Holdings Private Limited, i.e. ₹ 35.07 lakhs.

Further, pursuant to an order dated March 25, 2011, of the Hon’ble High Court of Bombay, from the Capital Reserve on Demerger Account of Our Company, recorded upon the demerger, ₹ 1,590.94 lakhs was transferred to the General Reserve Account and ₹ 2,199.63 lakhs to the Profit & Loss Account and ₹ 1491.47 lakhs remained in the Capital Reserve on Demerger Account as shown below.

As on March 31, 2011	₹ in lakhs
General Reserve Account	1,590.94
Accumulated Profit and Loss Account	2,199.63
Capital Reserve on Demerger Account	1,491.47
<b>Total</b>	<b>5,282.04</b>

\*Reserve on Amalgamation represented revenue reserves of Shemaroo International Private Limited, which got merged with Shemaroo Holdings Private Limited with effect from the appointed date of April 1, 2005. Break-up of the revenue reserves of Shemaroo International Private Limited as on March 31, 2005 is provided below:

As on March 31, 2005	₹ in lakhs
General Reserve Account	3.50
Accumulated Profit and Loss Account	1,522.11
<b>Total</b>	<b>1,525.61</b>

Shemaroo International Private Limited had paid up equity share capital of ₹ 100,000, and genuine realized profit represented by profit and loss account balance of Rs. 15,22,11,274 and General Reserve balance of ₹ 3,49,669 as on March 31, 2005 SHPL issued 714 equity shares of ₹ 10 each (aggregating to ₹ 7,140) at a premium of ₹ 2,029 per equity share (aggregating to ₹ 14,48,706) to the shareholders of Shemaroo International Private Limited and ₹ 583 in cash as consideration for Amalgamation of Shemaroo International Private Limited. The remaining amount of genuine realized profit i.e. ₹ 15,12,04,514 was accounted as Reserve on Amalgamation in the books of Shemaroo Holdings Private Limited.

Hence, the aforesaid amounts accumulated in the Capital Reserve on Demerger Account were realised revenue reserves and were used by our Company in issuing fully paid bonus shares to the then existing shareholders of our Company.

Further our Auditors have certified that the Equity Shares issued to our Promoters pursuant to the Bonus issues dated March 26, 2011 and August 29, 2011 are eligible for Promoters’ contribution under Regulation 32 of the SEBI Regulations. We have included the same as a material document available for inspection.

The Promoters shall satisfy the requirement in relation to Promoters’ Contribution at least one day prior to the Bid Opening Date. Further, we undertake to update the exact details of the number of Equity Shares forming part of Promoters’ Contribution at the time of filing of this Prospectus with the RoC.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from our Promoters, as required under the SEBI Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 33 of the SEBI Regulations. In this connection, as per Regulation 33 of the SEBI Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

The Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares which are otherwise ineligible for computation of Promoters' Contribution;

- (a) The Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (b) The Equity Shares issued to the Promoters upon conversion of a partnership firm; and
- (c) The Equity Shares held by the Promoters that are subject to any pledge.

For such time that the Equity Shares under the Promoters' Contribution are locked in as per the SEBI Regulations, the Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue. For such time that they are locked in as per the SEBI Regulations, the Equity Shares held by the Promoters in excess of the Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions if the pledge of the Equity Shares is one of the terms of the sanction of the loan. For details regarding the objects of the Issue, see the section titled "Objects of the Issue" on pages 82 to 85 of this Prospectus.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

### (iii) *Shareholding of Promoter Group*

The shareholding of members of our Promoter Group other than Equity Shares held by our Promoters is as below:

Sr. No.	Shareholder	Number of Equity Shares held	Percentage of holding (Pre-Issue)	Percentage of holding (Post-Issue)
1.	Mr. Buddhichand Maroo	35,75,320	18.01	13.15
2.	Mr. Jai Maroo	12,34,200	6.22	4.54
3.	Mr. Hiren Gada	16,40,520	8.27	6.04
4.	Technology and Media Group Pte Ltd.	18,22,840	9.18	6.71
	<b>Total</b>	<b>82,72,880</b>	<b>41.68</b>	<b>30.43</b>

Our company does not have any corporate promoter, hence shareholding of directors of corporate promoter is not applicable.

### 3. **Details of share capital locked-in for one year**

Except for the Promoters' Contribution which shall be locked in as above, the entire pre-Issue equity share capital of our Company (including those Equity Shares held by our Promoters) shall be locked in for a period of one year from the date of Allotment. The Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Regulations, as amended from time to time. Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

### 4. **Our shareholding pattern**

The table below represents the shareholding pattern of our Company before the Issue and as adjusted for this Issue:

Description	Pre Issue	Post Issue*
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Category of Shareholder	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a Percentage of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered		Total number of Equity Shares	Total shareholding as a Percentage of total number of Equity Shares	Shares pledge or otherwise encumbered	
					Number of shares	As a Percentage			Number of shares	As a Percentage
<b>Shareholding of Promoters and Promoter Group (A)</b>										
<b>Indian</b>										
Individuals/Hindu Undivided Family	4	1,48,34,880	1,48,34,880	74.74	Nil	Nil	1,48,34,880	54.58	Nil	Nil
Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Foreign</b>										
Individuals (Non-Resident Individuals/Foreign Individuals)	1	12,34,200	12,34,200	6.22	Nil	Nil	12,34,200	4.54	Nil	Nil
Bodies Corporate	1	18,22,840	Nil	9.18	Nil	Nil	18,22,840	6.71	Nil	Nil
Institutions/FII	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Shareholding of Promoters and Promoter Group (A)</b>	6	1,78,91,920	1,60,69,080	90.14	Nil	Nil	1,78,91,920	65.82	Nil	Nil
<b>Public shareholding (B)</b>										
<b>Institutions (B1)</b>										
Mutual Funds/UTI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Financial Institutions / Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Venture Capital Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Description	Pre Issue						Post Issue*			
Category of Shareholder	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a Percentage of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered		Total number of Equity Shares	Total shareholding as a Percentage of total number of Equity Shares	Shares pledge or otherwise encumbered	
					Number of shares	As a Percentage			Number of shares	As a Percentage
Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B)(1)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Non-institutions (B2)</b>										
Bodies Corporate	9	5,86,512	4,85,240	2.96	Nil	Nil	5,86,512	2.16	Nil	Nil
Non Resident Indians	3	2,54,580	Nil	1.28	Nil	Nil	2,54,580	0.94	Nil	Nil
OCBs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trust	1	1,01,264	Nil	0.51	Nil	Nil	1,01,264	0.37	Nil	Nil
Individuals	25	10,14,628	9,63,992	5.11	Nil	Nil	10,14,628	3.73	Nil	Nil
Foreign Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B)(2)</b>	38	19,56,984	14,49,232	9.86	Nil	Nil	19,56,984	7.20	Nil	Nil
<b>Public (Pursuant to the Issue) (B)(3)</b>	Nil	Nil	Nil	Nil	Nil	Nil	73,33,332	26.98	Nil	Nil
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>	38	19,56,984	13,47,960	9.86	Nil	Nil	92,90,316	34.18	Nil	Nil
<b>(C) Shares held by custodians and against which Depository receipts have been issued</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>44</b>	<b>1,98,48,904</b>	<b>1,75,18,312</b>	<b>100</b>	<b>Nil</b>	<b>Nil</b>	<b>2,71,82,236</b>	<b>100</b>	<b>Nil</b>	<b>Nil</b>

\*This is based on the assumption that the existing shareholders shall continue to hold the same number of Equity Shares after the Issue.

Our Company will file the shareholding pattern of our Company, in the form prescribed under clause 35 of the Listing Agreements, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.

## 5. Shareholding of our Directors and Key Managerial Personnel

Except as set forth below, none of our Directors or Key Managerial Personnel holds any Equity Shares as on the date of this Prospectus:

### Shareholding of Directors

Sr. No.	Name of shareholder	Number of Equity Shares held	Pre Issue Percentage	Post Issue Percentage
1.	Mr. Raman Maroo	48,09,520	24.23	17.69
2.	Mr. Atul Maru	48,09,520	24.23	17.69
3.	Mr. Buddhichand Maroo	35,75,320	18.01	13.15
4.	Mr. Hiren Gada	16,40,520	8.27	6.04
5.	Mr. Jai Maroo	12,34,200	6.22	4.54
6.	Mr. Jayesh Parekh	1,53,308	0.77	0.56
7.	Mr. Vasanji Mamanian	50,636	0.26	0.19
<b>Total</b>		<b>1,62,73,024</b>	<b>81.99</b>	<b>59.87</b>

### Shareholding of Key Managerial Personnel (other than our Executive Directors)

Sr. No.	Name of shareholder	Number of Equity Shares held	Pre Issue Percentage	Post Issue Percentage
1.	Mr. Hemant Karani	65,640	0.33	0.24
2.	Mr. Ketan Maru	82,040	0.41	0.30
3.	Mr. Vinod Karani	1,14,840	0.58	0.42
4.	Mr. Harakhchand Gada	32,840	0.17	0.12
5.	Mr. Bipin Dharod	41,040	0.21	0.15
<b>Total</b>		<b>3,36,400</b>	<b>1.70</b>	<b>1.24</b>

#### 6. Top ten shareholders

As on the date of this Prospectus, our Company has forty four holders of Equity Shares.

- (i) Our top ten Equity Shareholders and the number of Equity Shares held by them, as on the date of this Prospectus:

Sr. No.	Shareholder	Number of Equity Shares held	Pre Issue Percentage	Post Issue Percentage
1.	Mr. Raman Maroo	48,09,520	24.23	17.69
2.	Mr. Atul Maru	48,09,520	24.23	17.69
3.	Mr. Buddhichand Maroo	35,75,320	18.01	13.15
4.	Technology and Media Group PTE Ltd	18,22,840	9.18	6.71
5.	Mr. Hiren Gada	16,40,520	8.27	6.04
6.	Mr. Jai Maroo	12,34,200	6.22	4.54
7.	Radhika Hotels Private Limited	1,66,856	0.84	0.61
8.	Mr. Jayesh Parekh	1,53,308	0.77	0.56
9.	Mr. Vinod Karani	1,14,840	0.58	0.42
10.	Shaan Realtors Private Limited	1,01,272	0.51	0.37
11.	Golden Future Investments Private Limited	1,01,272	0.51	0.37
12.	Mr. Mahendra Chedda	1,01,272	0.51	0.37
13.	Nikhil Prataprai Gandhi Family Trust	1,01,272	0.51	0.37
<b>Total</b>		<b>1,87,32,012</b>	<b>94.37</b>	<b>68.91</b>

- (ii) Our top ten Equity Shareholders and the number of Equity Shares held by them ten days prior to filing of this Prospectus with the RoC:

Sr. No.	Shareholder	Number of Equity Shares held	Pre Issue Percentage	Post Issue Percentage
1.	Mr. Raman Maroo	48,09,520	24.23	17.69
2.	Mr. Atul Maru	48,09,520	24.23	17.69
3.	Mr. Buddhichand Maroo	35,75,320	18.01	13.15
4.	Technology and Media Group PTE Ltd	18,22,840	9.18	6.71
5.	Mr. Hiren Gada	16,40,520	8.27	6.04
6.	Mr. Jai Maroo	12,34,200	6.22	4.54
7.	Radhika Hotels Private Limited	1,66,856	0.84	0.61
8.	Mr. Jayesh Parekh	1,53,308	0.77	0.56
9.	Mr. Vinod Karani	1,14,840	0.58	0.42

Sr. No.	Shareholder	Number of Equity Shares held	Pre Issue Percentage	Post Issue Percentage
10.	Shaan Realtors Private Limited	1,01,272	0.51	0.37
11.	Golden Future Investments Private Limited	1,01,272	0.51	0.37
12.	Mr. Mahendra Chedda	1,01,272	0.51	0.37
13.	Nikhil Prataprai Gandhi Family Trust	1,01,272	0.51	0.37
	Total	<b>1,87,32,012</b>	<b>94.37</b>	<b>68.91</b>

(iii) Our top ten Equity Shareholders two years prior to filing of this Prospectus with the RoC:

Sr. No.	Shareholder	Number of Equity Shares held	Pre Issue Percentage	Post Issue Percentage
1.	Mr. Raman Maroo	48,09,520	24.23	17.69
2.	Mr. Atul Maru	48,09,520	24.23	17.69
3.	Mr. Buddhichand Maroo	35,75,320	18.01	13.15
4.	Technology and Media Group Pte Ltd.	18,22,840	9.18	6.71
5.	Mr. Hiren Gada	16,40,520	8.27	6.04
6.	Mr. Jai Maroo	12,34,200	6.22	4.54
7.	Mr. Jayesh Parekh	1,53,308	0.77	0.56
8.	Mr. Vinod Karani	1,14,840	0.58	0.42
9.	Accord Holdings Private Limited	1,01,272	0.51	0.37
10.	Golden Future Investments Private Limited	1,01,272	0.51	0.37
11.	Prince Polylplast Private Limited	1,01,272	0.51	0.37
12.	Nikhil Prataprai Gandhi Family Trust	1,01,272	0.51	0.37
	Total	<b>1,85,65,156</b>	<b>93.53</b>	<b>68.30</b>

**7. Public shareholders holding more than 1% of the pre-Issue paid up capital of our Company**

There are no public shareholders\* holding more than, 1% of the pre-Issue paid up capital and 1% of the post-Issue paid up capital, of our Company.

*\*Refers only to the pre-Issue public shareholders of our Company.*

8. As on date of filing of this Prospectus with the RoC, we have not adopted any employee stock option plan.
9. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares being offered through this Issue.
10. Our Company has not issued any Equity Shares which may be at a price less than the Issue Price in the last one year preceding the date of filing of this Prospectus.
11. The BRLMs do not hold any Equity Shares as on the date of filing of this Prospectus. The BRLMs and their respective affiliates may engage in the transactions with and perform services for our Company and our Subsidiaries in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and our Subsidiaries, for which they may in future receive customary compensation.
12. No person connected with the Issue, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, the Directors, the Subsidiaries, the Promoters, the Promoter Group and the Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
13. Our Company has not issued any Equity Shares out of its revaluation reserves.
14. Our Company has not raised any bridge loan against the Issue proceeds.
15. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Prospectus with the RoC.
16. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
17. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus



with SEBI until the Equity Shares have been listed on the Stock Exchanges.

18. Further, our Company has agreed with the BRLMs not to alter its capital structure by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares or issuance of Equity Shares till the end of six months from the date of opening of the Issue. In addition, our Company will not, without the prior written consent of the BRLMs, during the period starting from the date hereof and ending 180 days after the date of this Prospectus (i) issue, offer, lend, pledge, encumber, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable as or exchangeable for the Equity Shares; or (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise or (iv) indulge in any publicity activities prohibited under the SEBI Regulations or any other jurisdiction in which the Equity Shares are being offered, during the period in which it is prohibited under each such laws. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under the Issue; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with any employee stock option plan or any other stock incentive and other employee ownership or benefit plans including, for the avoidance of doubt, any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares in connection with the exercise of any options or similar securities, as disclosed in the Draft Red Herring Prospectus and the Red Herring Prospectus and this Prospectus, provided they have been approved by our Company's Board of Directors.
19. There are certain restrictive covenants in the facility agreements entered into by our Company with certain lenders. For details, see the section titled "Financial Indebtedness" on page 273 of this Prospectus.
20. None of our Promoters, Promoter Group, our Directors and their immediate relatives have purchased or sold any Equity Shares during a period of six months preceding the date of filing the Draft Red Herring Prospectus with the SEBI.
21. None of our Promoter Group, Directors and their relatives have purchased or sold any securities of the Subsidiaries during a period of six months preceding the date of filing this Prospectus with the RoC.
22. Except as disclosed in the section titled "Our Management" on pages 149 and 158 of this Prospectus, none of our Directors or Key Managerial Personnel hold any Equity Shares in our Company.
23. Except as disclosed below, none of our Promoters, Promoter Group or the Directors have purchased/subscribed (including bonus issuances) or sold any securities of our Company within three years immediately preceding the date of filing this Prospectus with the RoC which in aggregate is equal to or greater than 1% of pre-Issue capital of our Company:

Name of the shareholder	Promoter/ Promoter Group/ Director	Total no. of Equity Shares purchased/ subscribed	Total no. of Equity Shares sold
Raman Hirji Maroo	Promoter	36,07,140	-
Atul Hirji Maru	Promoter	36,07,140	-
Hiren Uday Gada	Director	12,30,390	-
Buddhichand Hirji Maroo	Director	26,81,490	-
Jai Buddhichand Maroo	Director	9,25,650	-
Technology and Media Group Pte Ltd.	Promoter Group	13,67,130	-

24. During the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoters, our Promoter Group, our Directors and their relatives may have financed the purchase of Equity Shares by any other person.
25. Our Promoters, Promoter Group and Group Companies will not participate in this Issue
26. Any oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off and making allotments in minimum lots, while finalising the 'Basis of Allotment'. Consequently, the Allotment may increase by a maximum of 10% of the Issue, as a result of which the post-Issue paid-up capital would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares to be locked-in towards the Promoters' Contribution shall be suitably increased, so as to ensure that 20% of the post-Issue paid-up capital is locked-in.
27. This Issue is being made for at least 25% of the post-Issue capital pursuant to Rule 19(2) (b) (i) of SCRR read with Regulation 41(a) of the SEBI Regulations. Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations. Further, this Issue is being made through the Book Building Process wherein 50% of the Issue

shall be available for allocation on a proportionate basis to QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third shall be reserved for allocation to domestic Mutual Funds only. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price.

28. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 1000 lakhs. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.
29. A Bidder cannot make a Bid for more than the number of Equity Shares offered through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder. For further details see the section titled "Issue Procedure" beginning on page 344 of this Prospectus.
30. Subject to valid Bids being received at or above the Issue Price, under-subscription in any category, other than QIB Category, would be met with spill-over from any other category or combination of categories, at the discretion of our Company, in consultation with BRLMs and the Designated Stock Exchange. Such inter-se spill-over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
31. The Equity Shares issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.
32. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time

## OBJECTS OF THE ISSUE

The objects of the Issue are to:

1. Fund working capital requirements; and
2. Fund expenditure for general corporate purposes.

Further, we believe that the listing of our Equity Shares will enhance our visibility and brand name among existing and potential customers and business partners.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Issue. Further, we confirm that the activities we have been carrying out until now are in accordance with the objects clause of our Memorandum of Association.

The details of the proceeds of the Issue are summarised in the following table:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1	Gross Proceeds of the Issue	12,000.00
2	Issue related Expenses	1,181.99
	Net Issue Proceeds	10,818.01

### Requirement of Funds

The fund requirements described below are based on management estimates and our Company's current business plan and have not been appraised by any bank or financial institution.

In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

### Means of Finance

The working capital requirements will be met through the Net Proceeds to the extent of ₹ 10,600.00 lakhs, and the balance portion will be met through internal accruals.

### Utilisation of Net Proceeds

We intend to utilise the Net Proceeds of the Issue of ₹ 10,600.00 Lakhs for financing the objects as set forth below.

(₹ in lakhs)

Sr. No	Expenditure Items	Estimated Net Proceeds
1.	Fund working capital requirements	10,600.00
2.	Fund expenditure for general corporate purposes	218.01
	<b>Total</b>	<b>108,18.01</b>

While we intend to utilise the Net Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In the event of any shortfall in the Net Proceeds, we will bridge the fund requirements from internal accruals or debt/equity financing.

The following table details the schedule of utilisation of the Net Proceeds

(₹ in lakhs)

Serial No.	Particulars	Fiscal 2015	Fiscal 2016
1	Fund working capital requirements	8,000.00	2,600.00
2	Fund expenditure for general corporate purposes	218.01	0.00

## Details of the Objects

### 1. Fund working capital requirements

#### Working Capital Requirements

Our business is working capital intensive and we fund majority of our working capital requirements in the ordinary course of our business from clients' advances in respect of content sold by us, banks facilities, various financial institutions and unsecured funding and from our internal accruals.

As on March 31, 2013 and March 31, 2014 our Company's working capital facilities consisted of ₹ 12,211.04 lakhs and ₹ 18,309.90 lakhs respectively, based on the audited and restated standalone financial statements. The table below provides the break-up of loan facilities availed by the Company as on March 31, 2013 and March 31, 2014:

	March 31, 2013	March 31, 2014
Short-Term Borrowings	10,991.58	14,114.53*
Long-Term Borrowings	-	1000.00
Other Current Liabilities	1,219.47	3,195.37
<b>Total</b>	<b>12,211.05</b>	<b>18,309.90</b>

\* This includes ₹ 9,625.76 lakhs of working capital loans from banks, ₹ 1,138.57 Lakhs of bank overdraft and ₹ 3,350.20 lakhs of other loans.

As of July 31, 2014, the Company had outstanding working capital facilities of ₹ 2,459.00 lakhs from NKGSB Co-operative Bank Limited, ₹ 3,902.39 lakhs from Shamrao Vithal Co-operative Bank Limited and ₹ 3,394.91 lakhs from Bank of India, aggregating to ₹ 9,756.30 lakhs.

As per the Supplemental Working Capital Consortium Agreement entered into with NKGSB Co-operative Bank Limited, Shamrao Vithal Co-operative Bank Limited and Bank of India on June 6, 2013, the working capital limits of the Company were enhanced from ₹ 8,000 lakhs to ₹ 10,000 lakhs. This comprised of sanctioned working capital facilities of ₹ 2,500 lakhs from NKGSB Co-operative Bank Limited, ₹ 4,000 lakhs from Shamrao Vithal Co-operative Bank Limited and ₹ 3,500 lakhs from Bank of India, aggregating to ₹ 10,000 lakhs. Thus, as of July 31, 2014, the Company had unutilized sanctioned working capital facilities of ₹ 243.70 lakhs from Banks.

The total working capital requirement as of March 31, 2016 is estimated to be ₹ 43,725.28 lakhs. The incremental working capital requirement till year ending March 31, 2016 will be ₹ 12,274.28 lakhs, which will be met through the Net Proceeds to the extent of ₹ 10,600 lakhs, and the balance portion will be met through internal accruals.

#### Basis of estimation of working capital requirement

The details of our Company's working capital requirements and funding of the same based on the audited and restated standalone financial statements as at March 31, 2013 and March 31, 2014 are as set out in the table below:

(₹ in lakhs)		
Particulars	As on March 31, 2013 (Audited)	As on March 31, 2014 (Audited)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	100.68	59.49
Inventories	14,646.74	19,801.10
Trade Receivables	7,093.80	13,988.17
Short-Term Loans and Advances	2,715.56	2,546.04
Other Current Assets	146.69	216.63
<b>Non-Current Assets</b>		
Trade Receivables	330.54	-
Long-Term Loans and Advances	82.24	84.54
In Fixed Deposits	4.50	4.50
<b>Total Assets (A)</b>	<b>25,120.75</b>	<b>36,700.47</b>
<b>Liabilities:</b>		
<b>Current Liabilities</b>		
Trade Payables	898.66	2,975.22
Other Current Liabilities	656.14	472.00

Particulars	As on March 31, 2013 (Audited)	As on March 31, 2014 (Audited)
Short-Term Provisions	429.45	892.15
<b>Non-Current Liabilities</b>		
Long-Term Provisions	45.30	62.21
Deferred Tax Liabilities (Net)	507.55	847.90
<b>Total Liabilities (B)</b>	<b>2,537.09</b>	<b>5,249.48</b>
<b>Net Working Capital (A-B)</b>	<b>22,583.66</b>	<b>31,450.99</b>
<b>Funding Pattern</b>		
<b>Loan Facilities</b>	<b>12,211.04</b>	<b>18,309.90</b>
Short-Term Borrowings	10,991.58	14,114.53
Long-Term Borrowings	-	1,000.00
Other Current Liabilities*	1,219.47	3,195.37
<b>Internal Accruals</b>	<b>10,372.62</b>	<b>13,141.09</b>

\*Other Current Liabilities represents Loan Facilities availed from banks / Financial Institutions

The details of our Company's expected working capital requirements as at March 31, 2015 and as at March 31, 2016 is as set out in the table below:

(₹ in lakhs)

Particulars	As of March 31, 2015 (Estimated)	As of March 31, 2016 (Estimated)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	479.36	81.98
Inventories	23,034.64	25,137.17
Trade Receivables	15,549.71	17,895.63
Short-Term Loans and Advances	3,226.22	4,133.64
Other Current Assets	216.63	216.63
<b>Non-Current Assets</b>		
Trade Receivables	693.32	779.99
Long-Term Loans and Advances	193.53	312.04
In Fixed Deposits	4.50	4.50
<b>Total Assets (A)</b>	<b>43,397.91</b>	<b>48,561.59</b>
<b>Liabilities:</b>		
<b>Current Liabilities</b>		
Trade Payables	951.02	2,047.99
Other Current Liabilities	569.26	1,105.97
Short-Term Provisions	660.80	776.48
<b>Non-Current Liabilities</b>		
Long-Term Provisions	53.75	57.98
Deferred Tax Liabilities (Net)	847.89	847.89
<b>Total Liabilities (B)</b>	<b>3,082.73</b>	<b>4,836.31</b>
<b>Net Working Capital (A-B)</b>	<b>40,315.19</b>	<b>43,725.28</b>
<b>Funding Pattern</b>		
<b>Loan Facilities</b>	<b>16,912.68</b>	<b>16,912.68</b>
Working Capital Borrowings	16,912.68	16,912.68
<b>Proceeds from IPO</b>	<b>8,000.00</b>	<b>10,600.00</b>
<b>Internal Accruals</b>	<b>15,402.51</b>	<b>16,212.60</b>

\*Other Current Liabilities represents Loan Facilities availed from banks / Financial Institutions

#### Assumptions for working capital requirements

Assumption for Holding Levels\*:

Particulars	Holding Level as of March 31, 2013	Holding Level as of March 31, 2014	Holding Level as of March 31, 2015	Holding Level as of March 31, 2016
<b>Assets</b>				
<b>Current Assets</b>				
Inventories	207	237	243	237

Particulars	Holding Level as of March 31, 2013	Holding Level as of March 31, 2014	Holding Level as of March 31, 2015	Holding Level as of March 31, 2016
Trade Receivables	136	145	168	164
Short-Term Loans and Advances	44	36	33	36
<b>Non-Current Assets</b>				
Trade Receivables	6	2	4	7
Long-Term Loans and Advances	4	1	2	2
<b>Liabilities:</b>				
<b>Current Liabilities</b>				
Trade Payables	45	43	38	25
Other Current Liabilities	19	12	10	14

\*The days of holding period has been calculated based on the average of opening and closing balance of the respective working capital component.

Our Company proposes to utilise ₹ 10,600.00 lakhs of the Net Proceeds towards working capital requirements for meeting our future business requirements.

The justifications for the holding levels mentioned in the table above are provided below:

<b>Assets - Current Assets</b>	
Inventories	Between FY 2012-13 and FY 2013-14 the inventory holding days have gone up from 207 to 237 days, as our Company has built up content pipeline to exploit future business opportunities.  In the FY 2014-15 the Inventory levels are expected to go up marginally as the company will be investing the capital raised in IPO. In the FY 2015-16 the Inventory levels are expected to go back to earlier levels.
Trade Receivables	In FY 2014-15 and FY 2015-16, the Trade Receivable holding days are expected to go up against FY 2013-14 as our Company plans to grow its business to a higher level, for which higher credit period will be required.
Short-Term Loans and Advances	Short-Term Loans and Advances represents advance to the suppliers of content before acquisition. The amount of payment outstanding to suppliers of content after acquisition of content appears as Sundry Creditors' under current liabilities. Our Company plans to make payment to suppliers of content close to the time of acquisition. The management has envisaged a reduction in the number of days of advance paid to suppliers and therefore a reduction in the number of days of Trade Payables. Our Company will have to release outstanding payment to suppliers of content in a shorter period to compensate them for shorter period of advance payment.
<b>Assets - Non-Current Assets</b>	
Trade Receivables	The Non-current Trade Receivable holding days are expected to go up marginally in FY 2014-15 and FY 2015-16, against FY 2013-14 as our Company plans to grow its business to a higher level, for which higher credit period will be required.
Long-Term Loans and Advances	Long-Term Loans and Advances represents advance to the suppliers of content before acquisition. The amount of payment outstanding to suppliers of content after acquisition of content appears as Sundry Creditors' under current liabilities. Our Company plans to make payment to suppliers of content close to the time of acquisition. There is expected to be marginal increase in the Long Term Loans and Advances holding days.
<b>Liabilities - Current Liabilities</b>	
Trade Payables	Our Company expects that suppliers for content will be paid on a shorter cycle (in order to get better pricing) as compared to the present cycle, hence creditor days is expected to reduce relatively. This has been explained in detail above under Short-Term Loans and Advances.
Other Current Liabilities	In FY 2015-16, the other current liabilities holding days are expected to go up marginally against FY 2013-14 as the company will take advantage of the bargaining power due to increase in business.

## 2. General Corporate Purposes

The proceeds of the Issue will be first utilized towards the aforesaid items and the balance is proposed to be utilized for

general corporate purposes including strategic initiatives, brand building exercises and strengthening of our marketing and distribution capabilities subject to compliance with the necessary provisions of the Companies Act.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time, and consequently, our funding requirement and deployment of funds may also change. In accordance with the policies of our Board, our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

### Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus.

### Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ 1,181.99 lakhs. The Issue related expenses consist of underwriting fees, selling commission, fees payable to the BRLMs, legal counsels, Escrow Collection Banks and Registrar to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break up of the estimated Issue-related expenses is as follows:

Activity	Expenses* (in ₹ lakhs)	% of Total Issue Expenses	As a % of Issue Size
Listing fees and other costs associated with listing including SEBI fees, processing fees of Stock Exchanges, bidding software expenses, depository charges etc.	73.44	6.21	0.61
Lead management, underwriting and selling commissions (including commission payable to SCSBs and Registered Brokers)	410.00	34.69	3.42
Processing fees to the SCSBs for processing ASBA Forms procured by the Syndicate or Registered Brokers and submitted to the SCSBs **	4.62	0.39	0.04
Advertising and marketing expenses	181.38	15.35	1.51
Printing and stationery (including distribution)	239.19	20.24	1.99
Registrar's fees	11.24	0.95	0.09
Fees paid to Bankers to the Issue	-	-	-
Other (audit fees, legal fees etc.)	262.13	22.18	2.18
<b>Total estimated Issue expenses</b>	<b>1,181.99</b>	<b>100.00</b>	<b>9.85</b>

\*Inclusive of applicable taxes

\*\* SCSBs would be entitled for processing fee of ₹ 15 for each ASBA Form procured by the Syndicate or Registered Brokers and submitted to SCSBs.

### Interim use of proceeds of the Issue

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to deposit the funds with scheduled commercial banks. Our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

### Monitoring of utilisation of funds

This Issue being an issue of less than ₹ 500 crores there shall be no need to appoint a monitoring agency. The utilization of the proceeds of the Issue shall be monitored by our Board. Our Company will disclose the utilization of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue in our Balance Sheet for the relevant Financial Years commencing from Fiscal 2015.

Pursuant to Clause 49 of the Listing Agreements, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with clause 43A of the Listing Agreements, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations if any, in the utilisation of the process of the Issue from the objects of the Issue as stated

above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by our shareholders by way of a special resolution. In addition, the notice issued to our shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules thereunder. As per the current provisions of the Companies Act, our Promoters or controlling shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

### **Other Confirmations**

No part of the Issue proceeds will be paid by our Company as consideration to the Promoters, the Directors, our key management personnel or the Group Companies, except in the ordinary course of business.



## BASIS FOR ISSUE PRICE

The Issue Price was determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares determined through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 17.0 times of the face value.

### Qualitative Factors

#### *Competitive strengths*

1. Long history and strong brand name
2. Vast, Diverse and Growing Content Library
3. Diversified Distribution Platforms
4. Well established Systems and Procedures
5. De-risked Business Model
6. Experienced Directors and Management Team
7. Strong Relationships in the Industry

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, see the sections entitled “Our Business –Strengths” and “Risk Factors” on pages 114 to 116 and beginning on page 15 of this Prospectus, respectively.

### Quantitative Factors

Information presented in this section is derived from our restated audited consolidated financial statements prepared in accordance with the Companies Act, 1956 and Indian GAAP.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

#### 1. Earnings per Share (“EPS”)

Period	Restated Consolidated Basic and Diluted EPS (₹ per Equity Share)	Restated Standalone Basic and Diluted EPS (₹ per Equity Share)	Weights
Year ended March 31, 2012	10.62	10.79	1
Year ended March 31, 2013	11.81	12.38	2
Year ended March 31, 2014	13.74	14.08	3
<b>Weighted Average</b>	<b>12.57</b>	<b>12.97</b>	

#### Note:

- a. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” issued by the Institute of Chartered Accountants of India.

$$\text{Earnings Per Share (₹)} = \frac{\text{Net Profit attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding during the Year}}$$

#### 2. Price Earnings Ratio (“P/E”) in relation to the Issue Price of ₹ 170 per equity share of face value of ₹ 10 each

Sr. No.	Particulars	Consolidated	Standalone
1	P/E ratio based on Basic and Diluted EPS for the year ended March 31, 2014 at the Issue Price:	12.37	12.07
2	<b>Industry P/E*</b>		
	Highest	65.0	
	Lowest	4.8	
	Industry Composite	24.7	

\* P/E based on trailing twelve months earnings for the entire Entertainment / Electronic Media software sector

Source: Capital Markets Magazine- Volume XXIX/13 dated Aug 18 – Aug 31, 2014 (Industry - Entertainment / Electronic Media software)

### 3. Return on Net worth ("RoNW")

Period	Consolidated (%)	Standalone (%)	Weights
Year ended March 31, 2012	16.60	16.72	1
Year ended March 31, 2013	15.80	16.31	2
Year ended March 31, 2014	15.63	15.75	3
<b>Weighted Average</b>	<b>15.85</b>	<b>16.10</b>	

$$\text{Return on net worth (\%)} = \frac{\text{Net Profit After Tax}}{\text{Net Worth excluding Revaluation Reserve at the end of the Year}}$$

#### Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the Fiscal 2014:

##### (i) Based on Basic and Diluted EPS

At the Issue Price – 12.68 % based on audited and restated consolidated financial statements.

### 4. Net Asset Value per Equity Share

Period	NAV (₹) <sup>#</sup>	NAV (₹) <sup>#</sup>
	Consolidated	Standalone
Year ended March 31, 2012	63.53	64.11
Year ended March 31, 2013	74.75	75.91
Year ended March 31, 2014	87.89	89.40
NAV after the Issue	108.33	109.43
Issue Price*	170	

$$\text{Net Asset Value per Equity Share (₹)} = \frac{\text{Net worth excluding revaluation reserve and preference share capital at the end of the Year}}{\text{Number of equity shares outstanding at the end of the Year}}$$

\*The Issue Price of ₹ 170 per Equity Share has been determined on the basis of the demand from investors through the Book Building Process and is justified based on the above accounting ratios.

### 5. Comparison with industry peers

Our Company is primarily engaged in the business of acquisition/aggregation of film/non-film content and its distribution across multiple platforms i.e. TV, New Media and VAS. There is no listed company which is exactly comparable having a similar business model. However, we have chosen the companies which we believe are our peers in the segment in which we operate:

Particulars	Price per share <sup>(3)</sup> (₹)	Face Value per equity share (₹)	For the year ended March 31, 2014				
			EPS (Basic) (₹)	EPS (Diluted) (₹)	P/E <sup>(4)</sup>	RoNW (%)	NAV per share (₹)
Shemaroo Entertainment <sup>(1)</sup>	170	10	13.74	13.74	12.37	15.63%	87.89
<b>Peer Group</b>							
Eros International <sup>(2)</sup>	261.5	10	21.72	21.63	12.1	16.52%	131.41
Balaji Telefilms <sup>(2)</sup>	78.8	2	(2.64)	(2.64)	-	(4.5%)	58.68

(1) Based on restated consolidated financial statements for the year ended March 31, 2014

(2) Source: As per Audited Financial Results for Year Ended March 31, 2014 (Consolidated Figures)

(3) Market Price: [www.bseindia.com](http://www.bseindia.com) (Closing Price as on August 21, 2014)

(4) Diluted EPS is taken into consideration for calculation of P / E

Net Asset Value per share (NAV per share) and Return on Net worth (RONW) for the peer group (on a consolidated basis) are calculated based on their respective Audited Financial Results for the year ended March 31, 2014.

- NAV per share = Shareholders' funds (i.e. Share Capital + Reserves and Surplus excluding revaluation reserves) / paid-up number of shares outstanding as on March 31, 2014

- $RONW = PAT \text{ after minority interest} / \text{Shareholders' funds (i.e. Share Capital + Reserves and Surplus excluding revaluation reserves)} \times 100$

The peer group listed companies as stated above are engaged in the media and entertainment business.

The Issue Price of ₹ 170 has been determined by our Company, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares determined through the Book Building process and is justified based on the above accounting ratios. For further details, see the section entitled “Risk Factors” beginning on page 15 of this Prospectus and the financials of our Company including important profitability and return ratios, as set out in the section entitled “Financial Statements” beginning on page 170 of this Prospectus.

## STATEMENT OF TAX BENEFITS

To,  
**The Board of Directors**  
**Shemaroo Entertainment Limited,**  
Shemaroo House, Plot No. 18,  
Marol Co-operative Ind. Estate,  
Off. Andheri Kurla Road,  
Andheri (East),  
Mumbai – 400059.

Dear Sirs,

**Sub: Certification of statement of Possible Tax Benefits in connection with Initial Public Offering by Shemaroo Entertainment Limited (“the Company”) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“the Regulations”)**

We, M. K. Dandekar & Co., the statutory auditors of the Company have been requested by the management of the Company having its registered office at the above mentioned address to certify the statement of tax benefits to the Company and its Shareholders under the provisions of the Income Tax Act, 1961, Wealth Tax Act, 1957 and Gift Tax Act, 1958 presently in force in India as of date in connection with the proposed Initial Public Offerings of the Company.

Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its Shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Further, we have also incorporated the amendments brought out by the Finance (No. 2) Act, 2014 where applicable. We do not express any opinion or provide any assurance as to whether:

- the Company or its Shareholders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits have been / would be met with; or
- the revenue authorities/ courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretations, which are subject to change from time to time. We do not assume responsibility to up-date the views of such changes.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed Initial Public Offering of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

**Mr. K.J. Dandekar**  
**Partner**  
**Membership No.: 18533**  
**Place: Mumbai**  
**Date: August 26, 2014**

## ANNEXURE

### Statement of Tax Benefits available to the Company & its Shareholder under the Income Tax Act, 1961 (“ITA”) and other Direct Tax Laws presently in force in India:

#### Statement of Special Tax Benefits:

#### I. Benefits available to the Company

##### 1. Deduction in respect of expenditure on production of feature films

Rule 9A of the Income Tax Rules lays down the method of computation of deduction allowable to the producer of a feature film towards —cost of production of a feature film certified for release during the year.

Subject to the conditions specified in Rule 9A of the Income Tax Rules, the quantum of deduction under that Rule is summarized in the table below:

<i>Situation</i>	<i>Quantum of deduction</i>	
	<b>Film released for exhibition on or before ninety days before the close of the FY ending on 31 March i.e. on or before 31 December generally</b>	<b>Film released for exhibition within ninety days before the close of the FY ending on 31 March i.e. after 31 December generally</b>
Film producer sells all rights of exhibition of the film in the FY	Entire cost of Production	Entire cost of production
Film producer himself exhibits the film on a commercial basis in all or some of the areas or sells the rights of exhibition of the film in respect of some of the areas or himself exhibits the film in certain areas and sells the rights of exhibition of the film in respect of all or some of the remaining areas	Entire cost of production	Cost of production or amount realised by exhibiting the film or sale of rights of exhibition (as applicable), or as the case may be, the aggregate of the amounts realised by the film distributor by exhibiting the film and by the sale of the rights of exhibition, whichever is less
Film producer does not exhibit the film, nor sell the rights of exhibition	Nil	Nil

##### 2. Deduction in respect of expenditure on acquisition of distribution rights of feature films

Rule 9B of the Rules lays down the method of computation of deduction allowable to a film distributor towards cost of acquisition of a feature film, certified for release during the year.

Subject to the conditions specified in Rule 9B of the Rules, the quantum of deduction under that Rule is summarized in the table below:

<i>Situation</i>	<i>Quantum of deduction</i>	
	<b>Film released for exhibition on or before ninety days before the close of the FY ending on 31 March i.e. on or before 31 December generally</b>	<b>Film released for exhibition within ninety days before the close of the FY ending on 31 March i.e. after 31 December generally</b>
Film distributor sells all rights of exhibition of the film in the same FY in which it is acquired by him	Entire cost of acquisition	Entire cost of acquisition
Film distributor himself exhibits the film on a commercial basis in all or some of the areas, or sells the rights of exhibition in respect of some of the areas, or himself exhibits the film on a commercial basis in certain areas and sells the rights of exhibition of the film in all or some of the remaining areas	Entire cost of acquisition	Cost of acquisition of the film or amount realised by exhibiting the film or sale of rights of exhibition (as applicable), or as the case may be, the aggregate of the amounts realised by the film distributor by exhibiting the film and by the sale of the rights of exhibition, whichever is less
Film distributor does not exhibit the film nor sells the rights of exhibition during the FY	NIL	NIL

## II. Benefits available to the Shareholders of the company

There are no special tax benefits available to the shareholders.

### Statement of General Tax Benefits

#### I. Benefits available to the Company

- As per Section 10(34) of the ITA, any income by way of dividends referred to in Section 115 – O (i.e. dividends declared, distributed or paid on or after 1st April, 2003 by domestic companies) received on the shares of any company is exempt from tax. Moreover, the company will also be entitled to avail the credit of dividend received by it from its subsidiaries in accordance with the provisions of section 115-O (1A) on which tax on distributed profits has been paid by the subsidiary. Furthermore, the amount of above said dividend shall be reduced by amount of dividend paid to any person for the New Pension System Trust referred to in clause (44) of section 10 of the ITA.

As per Section 10(35) of the ITA, the following income will be exempt in the hands of the Company;

- Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or
- Income received in respect of units from the Administrator of the specified undertaking; or
- Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a Company as referred to in Section 2(h) of the said Act.

- As per Section 2(29A) read with Section 2(42A), shares held in a company or a Unit of a Mutual Fund specified under clause (23D) of Section 10 are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares in a company or a Unit of a Mutual Fund specified under clause (23D) of Section 10 are held for more than twelve months.

3. As per Section 10(38) of the ITA, long term capital gains arising to the company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax will be exempt in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund –

- i. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
  - ii. which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the ITA. As per Section 115JB, while calculating “book profits” the Company will not be able to reduce the long term capital gains to which the provisions of Section 10(38) of the ITA apply and will be required to pay Minimum Alternate Tax @ 18.5% (plus applicable surcharge and education cess) of the book profits.
4. As per Section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed ₹ 50 Lacs.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” for making investment under this section on or after 1st April 2007 means any bond, redeemable after three years and issued on or after the 1st April 2007 by:

- i. National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988; or
  - ii. Rural Electrification Corporation Limited, a company formed and registered under The Companies Act, 1956.
5. As per Section 111A of the ITA, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).
6. As per Section 112 of the ITA, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds will be charged to tax at the concessional rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of Section 48 of the ITA or at 10% (plus applicable surcharge and education cess) without indexation benefits, at the option of the Company. Under Section 48 of the ITA, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/improvement.
7. Under Section 115JAA(1A) of the ITA, credit is allowed in respect of any Minimum Alternate Tax (“MAT”) paid under Section 115JB of the ITA for any assessment year commencing on or after April 1, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the ITA for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 10 years succeeding the year in which the MAT credit is allowable.
8. The company will be entitled to amortize preliminary expenses being the expenditure incurred on public issue of shares, under Section 35D(2)(c)(iv) of the Act, subject to the limit specified in Section 35D(3) and fulfillment of requirements u/s 35(1) (ii).
9. Dividends received by an Indian company from any specified foreign company (equity shareholding of 26 per cent or more) to continue to be taxed at concessional rate of 15 per cent without any sunset clause.
10. The company will be entitled to amortize expenditure under voluntary retirement scheme under Section 35DDA of the Act.
11. Deduction under Section 32: As per provisions of Section 32(1) (ia) of the Act, the company is entitled to claim additional depreciation of 20% of the actual cost of any new machinery or plant which has been acquired and installed after 31st March, 2005 subject to fulfillment of conditions prescribed therein.

12. Short-term capital loss suffered during the year shall be set off against income if any under the head capital gain; balance loss if any, could be carried forward for set off against capital gains of future years up to eight subsequent assessment years.
13. Long-term capital loss suffered during the year is allowed to be set-off only against long-term capital gains; balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gain.

## **II. Tax Benefits available to shareholders of the Company under the Income Tax Act, 1961**

### **A. Resident shareholders**

1. Under Section 10(32) of the IT Act, any income of minor children who is a shareholder of the Company clubbed in the total income of the parent under Section 64(1A) of the IT Act, will be exempt from tax to the extent of ₹1,500 per minor child whose income is so included in the income of the parent.
2. The Company is required to pay a 'dividend distribution tax' currently at the rate of 16.995% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend (interim/final). From October 1, 2014, the Company is required to pay a 'dividend distribution tax' by considering dividend declared amount as net of dividend tax, currently at the rate of 16.995% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend (interim/final). Under Section 10(34) of the IT Act, income by way of dividend referred to in Section 115-O of the IT Act, received on the shares of the Company is exempt from income tax in the hands of shareholders. However, it is pertinent to note that Section 14A of the IT Act restricts claims for deduction of expenses incurred in relation to exempt income. Thus, any expenses incurred to earn the dividend income are not an allowable expenditure.
3. The characterization of the gains/losses, arising from transfer of shares, as capital gains or business income would depend on the nature of holding (whether for investment or carrying on trading in shares) in the hands of the shareholder and various other factors.
4.
  - (a) The long-term capital gains (under section 2(29B) of the IT Act) accruing to the shareholders of the Company on sale of the Company's shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to securities transaction tax ("STT"), is exempt from tax as per provisions of Section 10(38) of the IT Act.
  - (b) The short-term capital gains (under section 2(42A) of the IT Act) accruing to the shareholders of the Company on transfer of the Company's equity shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, tax will be chargeable at 15% (plus applicable surcharge and education cess) as per provisions of Section 111A of the IT Act. Further no deduction under Chapter VI-A of the IT Act, would be allowed in computing such short term capital gains subjected to tax under Section 111A. In other cases, where the transaction is not subjected to STT, the short term capital gains would be chargeable as a part of the total income and the tax rates would depend on the income slab.
  - (c) As per the provisions of Section 112 of the IT Act, long term capital gains accruing/ arising to the shareholders of the Company from the transfer of shares/ securities of the Company being listed in recognized stock exchanges, where no security transaction tax is paid then it is chargeable to tax at 10% (plus applicable surcharge and education cess) after deducting from the sale proceeds the cost of acquisition without indexation or chargeable to tax at the rate of 20% (plus applicable surcharge and education cess) after claiming the benefit of indexation, whichever is lower. Under Section 48 of the IT Act, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition / improvement.
  - (d) Shareholders are entitled to claim exemption in respect of tax on long term capital gains (other than those exempt under Section 10(38) of the IT Act) under Section 54EC of the IT Act, if the amount of capital gains is invested in certain specified bonds / securities within six months from the date of transfer, subject to the fulfillment of the conditions specified therein. The maximum investment permissible on and after April 1, 2007 for the purposes of claiming the exemption in the notified bonds, by any person in a financial year, is ₹50 lacs. However, according to Section 54EC(2) of the IT Act, if the shareholder transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such bonds are transferred or otherwise converted into money.



- (e) Shareholders that are individuals or Hindu undivided families can avail of an exemption under Section 54F of the IT Act, by utilization of the net consideration arising from the transfer of the Company's share held for a period of more than 12 months (which is not exempt under Section 10(38)), for purchase / construction of a residential house within the specified time period and subject to the fulfillment of the conditions specified therein.

5. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long term capital gains. Long-term capital loss suffered during the year is allowed to be set-off only against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.
6. As per section 56 (2) (vii) Where an individual or a Hindu undivided family receives from any person or persons on or after the 1st day of October, 2009, any moveable property, (which includes, inter alia, shares & securities [being capital asset of the assessee],
- (i) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property shall be chargeable to income-tax under the head Income from other sources;
- (ii) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration shall be chargeable to income-tax under the head Income from other sources.

Provided that this clause shall not apply to any property received:

- (a) from any relative;
- (b) on the occasion of the marriage of the individual;
- (c) under a will or by way of inheritance;
- (d) in contemplation of death of the payer or donor, as the case may be;
- (e) from any local authority as defined in the Explanation to clause (20) of Section 10 of the IT Act;
- (f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of Section 10 of the IT Act; or
- (g) from any trust or institution registered under Section 12AA of the IT Act.

#### **B. 1 Non-resident shareholders – other than Foreign Institutional Investors**

1. Under Section 10(32) of the IT Act, any income of minor children, who is a shareholder of the Company, which is clubbed with the total income of the parent under Section 64(1A) of the IT Act, will be exempt from tax to the extent of ₹1,500 per minor child whose income is so included.
2. The Company is required to pay a 'dividend distribution tax' currently at the rate of 16.995% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend. From October 1, 2014, the Company is required to pay a 'dividend distribution tax' by considering dividend declared amount as net of dividend tax, currently at the rate of 16.995% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend (interim/final). Dividend (whether interim or final) declared, distributed or paid, under Section 115-O of the IT Act, by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the IT Act. However, it is pertinent to note that Section 14A of the IT Act restricts claim for deduction of expenses incurred in relation to exempt income. Thus, any expenses incurred to earn the dividend income are not an allowable expenditure.
3. The characterization of the gains/losses, arising from transfer of shares, as capital gains or business income would depend on the nature of holding (whether for investment or carrying on trading in shares) in the hands of the shareholder and various other factors.
4. The long-term capital gains accruing/ arising to a shareholder of the Company, being a non-resident, on transfer of the Company's equity shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, is exempt from tax as per provisions of Section 10(38) of the IT Act.
5. The short-term capital gains accruing/ arising to a shareholder of the Company on transfer of the Company's equity shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is

chargeable to STT, tax is chargeable at 15% (plus applicable surcharge and education cess) as per provisions of Section 111A of the IT Act. Further, no deduction under Chapter VI-A and rebate would be allowed in computing such short term capital gains subjected to tax under Section 111A. In other case, i.e. where the transaction is not subjected to STT, the short term capital gains would be chargeable as a part of the total income and the tax rate would depend on the income slab.

6. As per the provisions of Section 112 of the IT Act, long term capital gains accruing/ arising to the shareholders of the Company from the transfer of shares/ securities of the Company being listed in recognized stock exchanges, where no security transaction tax is paid then it is chargeable to tax at 10% (plus applicable surcharge and education cess) after deducting from the sale proceeds the cost of acquisition without indexation or chargeable to tax at the rate of 20% (plus applicable surcharge and education cess ) after claiming the benefit of indexation, whichever is lower.
7. As per the first proviso to section 48, capital gains arising from the transfer of shares of the Company, shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer of the capital asset into the same foreign currency as was initially utilised in the purchase of the shares. Cost Indexation benefit will not be available in such a case. The capital gains so computed in such foreign currency shall be reconverted into Indian currency and such manner of computation of capital gains shall be applicable in respect of capital gains accruing or arising from every reinvestment thereafter in, and sale of, shares of the Company.
8. Under the provisions of Section 90(2) of the IT Act, if the provisions of the Double Taxation Avoidance Agreement (“DTAA”) between India and the country of residence of the non-resident are more beneficial, then the provisions of the DTAA shall be applicable.
9. The shareholders are entitled to claim exemption in respect of tax on long term capital gains other than those exempt under Section 10(38) of the IT Act under Section 54EC of the IT Act, if the amount of capital gains is invested in certain specified bonds / securities within six months from the date of transfer subject to the fulfillment of the conditions specified therein. The maximum investment permissible for the purposes of claiming the exemption in the notified bonds by any person in a financial year is ₹50 lacs. However, according to Section 54 EC (2) of the IT Act, if the shareholder transfers or converts (otherwise than by transfer) the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such bonds are transferred or otherwise converted (otherwise than by transfer) into money.
10. Individual shareholders can avail of an exemption under Section 54F by utilization of the net consideration arising from the sale of company's share held for a period more than 12 months (which is not exempt under Section 10(38)), for purchase/construction of a residential house within the specified time period and subject to the fulfillment of the conditions specified therein.
11. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long term capital gains. Long-term capital loss suffered during the year is allowed to be set-off only against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.
12. As per section 56 (2) (vii) where an individual or a Hindu undivided family receives from any person or persons on or after the 1st day of October, 2009, any moveable property, (which includes, inter alia, shares & securities [being capital asset of the assessee],
  - (i) Without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property shall be chargeable to income-tax under the head Income from other sources;
  - (ii) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration shall be chargeable to income-tax under the head Income from other sources.

Provided that this clause shall not apply to any property received

- (a) from any relative; or
- (b) on the occasion of the marriage of the individual; or
- (c) under a will or by way of inheritance; or
- (d) in contemplation of death of the payer or donor, as the case may be; or

- (e) from any local authority as defined in the Explanation to clause (20) of Section 10 of the IT Act; or
  - (f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of Section 10 of the IT Act; or
  - (g) from any trust or institution registered under Section 12AA of the IT Act.
13. As per Section 115E of the ITA, in the case of a shareholder being a Non-Resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term capital gains arising on transfer of the shares of the Company (in cases not covered under Section 10(38) of the ITA) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.
  14. As per Section 115F of the ITA and subject to the conditions specified therein, in the case of a shareholder being a Non-Resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the ITA. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the ITA then such gains would not be chargeable to tax on a proportionate basis. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
  15. As per Section 115G of the ITA, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the ITA, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the ITA.
  16. As per Section 115H of the ITA, where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the ITA to the effect that the provisions of Chapter XII-A (which contains aforesaid sections 115E, 115F and 115G) shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
  17. As per Section 115I of the ITA, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A (which contains aforesaid sections 115E, 115F and 115G) for any assessment year by furnishing a declaration along with his return of income for that assessment year under Section 139 of the ITA, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the ITA.

For the purpose of aforesaid clauses “Non-Resident Indian” means an Individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

## **B.2 Non-resident shareholders – Foreign Institutional Investors**

1. The Company is required to pay a ‘dividend distribution tax’ currently at the rate of 16.995% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend (interim/final). From October 1, 2014, the Company is required to pay a ‘dividend distribution tax’ by considering dividend declared amount as net of dividend tax, currently at the rate of 16.995% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend (interim/final). Under Section 10(34) of the IT Act, income by way of dividend referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders. However it is pertinent to note that Section 14A of the IT Act restricts claim for deduction of expenses incurred in relation to exempt income.
2. The characterization of the gains/losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding (whether for investment or trading in Equity Shares) in the hands of the shareholder and various other factors.
3.
  - (a) The long-term capital gains accruing to the shareholders of the Company on sale of the Company’s shares in a transaction carried out through a recognized stock exchange in India, and where such transaction is chargeable to STT, is exempt from tax as per provisions of Section 10(38).
  - (b) The short-term capital gains accruing / arising to the members of the Company on sale of the Company’s equity shares in a transaction carried out through a recognized stock exchange in India, and where such

transaction is chargeable to STT, tax will be chargeable at 15% (plus applicable surcharge and education cess) as per provisions of Section 111A. In other case, i.e. where the transaction is not subjected to STT, as per the provisions of Section 115AD of the Act, the short term capital gains would be chargeable to tax at 30% plus applicable surcharge and education cess.

- (c) As per the provisions of Section 115AD of the Act, long term capital gains accruing to the shareholders of the Company from the transfer of shares of the Company being listed in recognized stock exchanges and purchased in foreign currency, otherwise than as mentioned in point 3(a) above, are chargeable to tax at 10% (plus applicable surcharge and education cess). The benefit of indexation and the adjustment with respect to fluctuation in foreign exchange rate would not be allowed to such shareholders. The filing of return under section 139(1) for income computed under Section 115AD is mandatory. Further, where the Gross Total Income (GTI) of the members includes any income on which tax has been paid as per special rates provided under Section 115AD, then the GTI shall be reduced by the amount of such income and deduction under chapter VIA shall be allowed in respect of reduced GTI.
  - (d) The shareholders are entitled to claim exemption in respect of tax on long term capital gains under Section 54EC of the IT Act, if the amount of capital gains is invested in certain specified bonds /securities within six months from the date of transfer subject to the fulfillment of the conditions specified therein. The maximum investment permissible for the purposes of claiming the exemption in the notified bonds by any person in a financial year is ₹50 Lacs. However, according to section 54 EC(2) of the IT Act, if the shareholder transfers or converts (otherwise than by transfer) the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such bonds are transferred or otherwise converted (otherwise than by transfer) into money.
- 4. Under the provisions of Section 90(2) of the IT Act, if the provisions of the DTAA between India and the country of residence of the non-resident are more beneficial, then the provisions of the DTAA shall be applicable.
  - 5. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long term capital gains. Long-term capital loss suffered during the year is allowed to be set-off only against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

### **III. Tax Benefits available to the shareholders under the Wealth Tax Act, 1957**

Equity Shares of company held by the shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth Tax Act, 1957. Hence no Wealth Tax will be payable on the market value of shares of the Company held by the shareholder of the Company.

### **IV. Tax Benefits available to the shareholders under the Gift Tax Act, 1958**

Gift Tax is not leviable in respect of any gifts made on or after 1st October, 1998. Therefore, any gift of shares of the Company will not attract gift tax.

### **V. Benefits available to Mutual Funds**

As per the provisions of Section 10(23D) of the IT Act, any income of Mutual Funds registered under the SEBI Act, 1992 or regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions or Mutual Funds authorised by RBI would be exempt from income tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

### **VI. Tax Deduction at Source**

No income-tax is deductible at source from income by way of capital gains under the present provisions of the IT Act, in case of residents. However, as per the provisions of section 195 of the IT Act, any income by way of capital gains, payable to non residents (other than long-term capital gains exempt under section 10(38) of the IT Act), may be subject to the provisions of with-holding tax, subject to the provisions of the relevant tax treaty. Accordingly income tax may have to be deducted at source in the case of a non- resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee unless a lower withholding tax certificate is obtained from the tax authorities. As per section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

**Notes:**

- The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India;
- This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- The stated benefits will be available only to the sole/first named holder in case the shares are held by joint share holders.

## SECTION IV – ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

#### Overview of the Indian Media & Entertainment Industry

According to a joint report of KPMG and FICCI an industry chamber the Indian Media and Entertainment (M&E) industry grew from INR 728 billion in 2011 to INR 821 billion in 2012, registering an overall growth of 12.6 per cent and is projected to grow at a CAGR of 15 percent between 2012 and 2017 to reach INR 1661 billion. It is one sector which responds extraordinarily to GDP growth with a multiplier. When incomes rise, more resources get spent on leisure.

The following table sets forth certain details in relation to the different segments comprising the Indian M&E industry.

	2008	2009	2010	2011	2012	Growth in 2012 over 2011	2013P	2014P	2015 P	2016 P	2017 P	CAGR (12-17)
Television	241	257	297	329	370	13%	420	501	607	725	848	18%
Print	172	175	193	209	224	7%	241	261	286	311	340	9%
Film	104	89	83	93	112	21%	122	138	154	172	193	12%
Radio	8	8	10	12	13	10%	14	15	19	23	27	17%
Music	7	8	9	9	11	18%	12	13	15	18	23	16%
Animation & VFX	18	20	24	31	35	14%	41	47	54	63	73	16%
Gaming	7	8	10	13	15	18%	20	24	31	36	42	22%
Internet	6	8	10	15	22	41%	28	37	49	65	87	32%
Outdoor	16	14	17	18	18	2%	19	21	23	25	27	8%
<b>Total Size</b>	<b>580</b>	<b>587</b>	<b>652</b>	<b>728</b>	<b>821</b>	<b>12%</b>	<b>917</b>	<b>1059</b>	<b>1238</b>	<b>1438</b>	<b>1661</b>	<b>15%</b>

Source: FICCI- KPMG Report 2013

#### A. Television

The number of Cable and Satellite (C&S) households in India increased by 11 million in 2012, to reach 130 million. Excluding DD Direct, the number of paid C&S households is estimated to be 121 million. This paid C&S base is expected to grow to 173 million by 2017, representing 91 percent of TV households. (Source: FICCI- KPMG Report 2013).

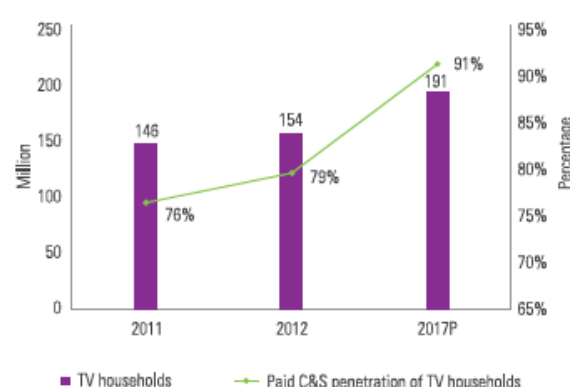
The television and broadcasting industry has grown tremendously over the last two decades, with an average growth rate in double digits. The over-all size of the television industry was estimated to be INR 370 billion in 2012, and is expected to grow at a CAGR of 18 percent over 2012-17, to reach INR 848 billion in 2017. The total number of TV channels in India has gone up to 845 in 2012 from 623 channels in 2011.

(Source: FICCI- KPMG Report 2013)

TV Industry size



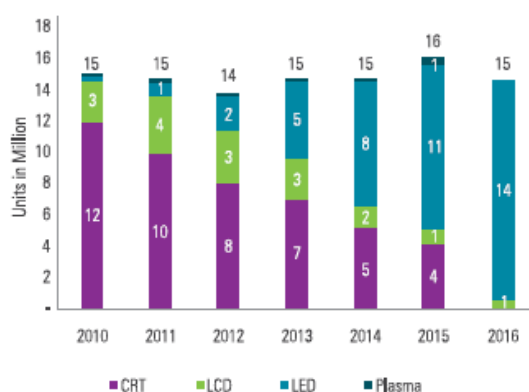
Growth in number of paid C&S households



Approximately 14 million television sets were sold in India in 2012. A large proportion of these television set sales represent replacement of old television sets, institutional TV sales, and a second or third TV set entering a household. LCD and LED panels accounted for around 40 percent of sales in 2012 and this share is expected to rise to close to 100 percent by 2017. This sets a platform for growth of HD channel user base in the coming years.

(Source: FICCI- KPMG Report 2013)

## Television Sales



Film broadcasting is the most popular programming format on television and continues to be the major revenue driver and, is therefore, of great importance to every television channel. On Television, films are broadcasted largely across three platforms - Satellite TV (i.e. Hindi Movie Channels - STAR Gold, SET Max; General Entertainment Channels - SONY, Colors, Star Plus; Kids Channels - Pogo, Cartoon Network; Regional Channel - Star Pravah) Terrestrial TV (Doordarshan) and Cable (Hathway, Digicable, etc.).

### Recent Developments in the Television Sector

The year 2012 was a year of unprecedented changes for the cable television industry in India, with mandatory Digital Access System (DAS) being implemented in the four metros of Delhi, Mumbai, Kolkata and Chennai. Digitisation is being tackled in a phased manner with most players continuing to focus on Phase I and Phase II cities.

#### *Phase I – Near complete implementation in Mumbai & Delhi*

The October 31, 2012 deadline for Phase I cities was upheld by the Ministry, and households in Delhi and Mumbai faced an analogue cable blackout at the stroke of midnight on October 31. While analogue broadcast resumed in a few parts of Mumbai and Delhi, both cities reported a near complete shift to digital cable by the end of December 2012. Kolkata and Chennai continued to receive analogue signals even after the deadline.

Industry discussions indicate that political reasons in the states of West Bengal and Tamil Nadu may have led to delays in implementation of digitisation in Kolkata and Chennai. While digitisation is underway in Kolkata and there is a lack of clarity on its progress and estimated completion date in Chennai.

Industry discussions indicate that over a period of time 80 to 85 percent of C&S households (including DTH households) are estimated to be digitised across the four metros, on an overall basis.

(Source: FICCI- KPMG Report 2013)

#### Phase I digitisation update

	As of October 31, 2012			As of Dec 31, 2012	
	I&B	MxM*	MPA <sup>†</sup>	TAM	Industry estimates
Delhi	97%	45%	50%	97%	90-95%
Mumbai	100%	86%	70%	93%	90-95%
Kolkata	85%	53%	45%	70%	65-70%
Chennai	86%	49%	30%	26%	25-30%

#### *Phase II – Underway*

Most stakeholders believe that Phase II of digitisation will be implemented successfully, at least across the key cities. Industry discussions indicate that on an overall basis, approximately 40 percent of C&S households in Phase II cities were already digitised by the end of 2012. Select cities like Ludhiana, Ahmedabad and Amritsar have seen nearly complete voluntary digitisation, while others appear to be on track for a timely roll-out. Industry stakeholders have also gained experience around implementation challenges observed during Phase I, and this may help mitigate similar challenges during successive phases.

### ***Phase III and IV***

Penetration of digital platforms in C&S households in Phase III and IV cities is already estimated to be higher than 45 percent on account of penetration of DTH services in these areas. However, Phase III and IV will require significant upgrade of back-end infrastructure apart from STB installation. Indications remain positive and industry believes that DAS will achieve significant success across all phases, albeit with some delays.

### **Outcome of Digitization**

#### ***Shift in the power equation towards MSOs – expected, but yet to materialize***

With the eventual control of the subscriber moving to MSOs post digitisation, the distribution industry is expected to see a power shift towards MSOs. LCOs are expected to take up the role of collection and servicing agents while MSOs control the infrastructure and generate bills through a subscriber management system.

However, even as MSOs may have control of the subscriber, LCOs will be crucial to customer interactions and day to day management. Therefore LCO relationship management remains crucial for MSOs.

#### ***Lower carriage fee becomes a reality***

Industry participants across the value chain agree that digitisation has reduced the carriage fee payout. The largely digitised markets of Mumbai and Delhi have witnessed a 15 to 20 percent drop in carriage fee. In some cases, broadcasters have continued to pay the same carriage, but are able to carry a larger bouquet of channels at the same cost. The supply-demand situation will improve significantly post digitisation, and therefore on an overall basis, the total payout towards carriage and placement fee is expected to decline.

#### ***ARPU gains to materialise, but in the medium term***

With the race to acquire subscribers and pending deployment of channel packages, ARPUs continue to be low. However, deployment of channel packages across cable customers over the next 3 to 4 years is expected to lead to significant increase in ARPU. In addition to 'value' packs, MSOs may look at creation of 'premium packs' for top paying subscribers leading to increase in ARPU levels. Digitisation will also provide an opportunity for subscription-based niche content which will lead to additional revenue gains. Further, rising penetration of HD services is expected to provide a boost to ARPU.

### **Television Industry Value Chain**

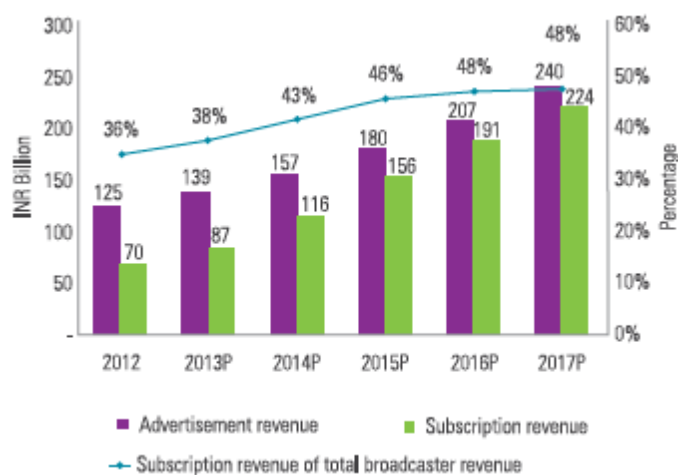
CONTENT PRODUCTION	BROADCASTING	DISTRIBUTION
<ul style="list-style-type: none"><li>▪ In general, production costs continue to be linked to inflation; artist costs however, have increased</li><li>• Cable digitisation is expected to create significant opportunities for content providers, including:<ul style="list-style-type: none"><li>--Existing channels investing in content, and upgrading content quality</li><li>--Narrower targeted offerings, to segments which are currently served by 'one size fits all' offerings, which will require more localised content</li><li>--Launch of new niche channels, which may see a viable business case on the back of reduced carriage fees</li></ul></li><li>• Broadcasters believe that content is under-invested and with the improving economics on account of digitisation, investment in content is expected to grow</li></ul>	<ul style="list-style-type: none"><li>▪ Subscription revenues increased in 2012, but this seems to be attributable to better negotiation through consolidated entities (MediaPro, One Alliance, India Cast etc.), rather than to digitisation in Phase 1</li><li>▪ The benefit of phase 1 and phase 2 digitisation in terms of growth in subscription revenues is expected to be seen over next 18 to 24 months</li><li>▪ In digitised areas, carriage costs appear to have declined. At the same time, TAM's increased coverage of Less than Class I (LC1) markets has resulted in some of the carriage savings being redirected to increase reach in LC1 markets</li><li>▪ Growth is expected to be driven by a sharp increase in subscription revenues, while carriage costs are expected to rationalize in metro markets</li></ul>	<ul style="list-style-type: none"><li>▪ Phase 1 of cable digitisation kick-started, and met with varying degrees of success in the four metros. However, the consumer has warmed to the concept of digitisation</li><li>▪ Industry discussions suggest that the digitisation in Phase 1 cities may not all be addressable yet. MSOs are in the process of verifying their customer base, and updating their systems before packages are deployed</li><li>▪ Completion of Phase 2 digitisation is likely to get delayed by 9 to 12 months. Out of the 38 cities identified for phase 2 digitisation, approximately 40 percent of C&amp;S households are already digitised</li><li>▪ It is important to continue the momentum and ensure that digitisation of cable gets completed; else there may be a risk that even Phase 1 cities may regress to a mélange of analogue and digital cable</li></ul>

### **Television Industry - Evolving Trends**

#### ***Subscription revenue to grow as a percentage of total broadcasting revenues***

Outlook for the Indian television advertising industry remains positive in the medium term with a CAGR of 14 percent over 2012-17. On the other hand, subscription revenue for broadcasters is estimated to grow at a CAGR of 26 percent from 2012 to 2017. Increase in the declared subscriber base and aggregation of distribution on behalf of broadcasters is expected to drive up the share of subscription to total broadcaster revenue from 36 percent in 2012 to 48 percent in 2016.





### ***Hindi and regional General Entertainment Channels (GECs) account for major portion of the total viewership***

Hindi and regional General Entertainment Channels (GECs) continued to account for over 50 percent of the total viewership. GECs are the key drivers of television viewership, accounting for 65-75 percent of Hindi and regional markets. Hindi GEC and Hindi movie genres consolidated their position with a viewership share of 30.0 percent and 11.9 percent in 2012, compared to 26.5 percent and 10.6 percent respectively in 2011.

**Viewership share by genres – all India**

Genre	2012 (% share)
English Entertainment	0.14
English News	0.23
English Movies	0.88
Hindi GEC	30.01
Hindi News	3.18
Hindi Movies	11.93
Regional GEC	20.18
Regional News	2.78
Regional Movies	3.65
Kids	6.47
Music	3.09
Infotainment	1.08
Others	16.4%

### ***Broadcasters continue to invest in movies***

Movie acquisition costs continued to soar as broadcasters retained their strategy in using block-buster movies to sustain viewer interest and buzz. Star Network is reported to have invested approximately INR 3 billion on movie acquisitions in the past year. Zee Entertainment on the other hand is reported to have invested INR 2 billion to acquire 10 movies during the year. After syndicating its library of over 500 films to Star India earlier this year, Viacom 18 entered into an exclusive licensing agreement with Eros International Media for forthcoming releases and is reported to have acquired 9 movies for satellite broadcast.

## **B. Films**

After several years of muted growth, 2012 was an exciting year for the Indian film industry with the audience returning to the theatres. India's domestic theatrical revenues grew by 23.8 percent Y-o-Y, contributing 76 percent to the INR 112.4 billion film industry. Digital distribution played a significant role in increasing the reach of the industry. The industry has begun penetrating tier II and III markets and entertaining the un-served population which sits near the bottom of the pyramid.

Indian cinema has continued to enchant the Indian audience for almost a century now and it is expected to continue on its growth trajectory and be worth INR 193.3 billion by 2017.

## Segment-wise break-up of revenues for the Indian Film Industry

Revenues (INR Billion)	2008	2009	2010	2011	2012	2013p	2014p	2015p	2016p	2017p	2011-12 (YoY growth)	CAGR 2012-2017
Domestic Theatrical	80.2	68.5	62.0	68.8	85.1	92.4	104.7	115.3	127.6	142.2	23.8%	10.8%
Overseas Theatrical	9.8	6.8	6.6	6.9	7.6	8.3	9.0	9.8	10.8	11.9	9.0%	9.4%
Home Video	3.8	4.3	2.3	2.0	1.7	1.4	1.2	1.1	1.0	0.9	-15.0%	-12.0%
Cable & Satellite Rights	7.1	6.3	8.3	10.5	12.6	14.1	16.2	19.1	22.8	27.3	20.0%	16.8%
Ancillary Revenue Streams	3.5	3.5	4.1	4.7	5.4	6.2	7.2	8.3	9.6	11.1	15.2%	15.5%
<b>Total</b>	<b>104.4</b>	<b>89.3</b>	<b>83.3</b>	<b>92.9</b>	<b>112.4</b>	<b>122.4</b>	<b>138.3</b>	<b>153.6</b>	<b>171.7</b>	<b>193.3</b>	<b>21%</b>	<b>11.5%</b>

Source: KPMG in India analysis

(Source: FICCI- KPMG Report 2013)

### Domestic & Overseas Theatrical

2012 was an exciting year for the Indian film industry with footfalls returning to the big screen. The domestic theatrical segment grew at 23.8 percent as against last year's estimate of 7 percent. The exponential growth in domestic theatrical revenues can be attributed to the growth in number of screens via growth of multiplexes, coupled with increased ticket prices and delivery of robust content that appealed to both, the multiplex and single screen audiences.

While the domestic theatrical business performed extremely well, the overseas segment experienced moderate growth this year. The market witnessed a growth of 9 percent in 2012. UK, USA and Middle East together generated about 70 percent of the international revenues – UK accounted for 20 percent, USA 20 percent and Middle East 30 percent. USA, UK, Australia, New Zealand and U.A.E accounted for 98 percent of all the overseas revenue for the top 20 Bollywood movies of 2012. In the Tamil film industry, for the top 10 movies, Malaysia generated 75 percent of the revenues followed by UK, USA and Australia. Korea, China, Taiwan and Pakistan are also fast gaining traction for the Hindi film industry. Pakistan, for instance, has widened the release of Hindi movies from 15 screens to 30-35 screens. This year also saw relatively low budget movies with strong content do well overseas.

### Cable & Satellite rights

Revenue from Cable and Satellite (C&S) rights grew at 20 percent in 2012. C&S rights for high budget Bollywood movies were sold at an average of INR 300-400 million. However, industry is of the view that satellite right rates may remain flat for a while, but are likely to increase in the medium to long run. This is keeping in mind the increasing competition among movie channels, the limited supply of 'appropriate' movies for TV given censor guidelines and the rising trend of pre-release selling and bundling of C&S rights of movies. After Salman Khan signed an INR 5 billion deal with Star TV network for rights of his upcoming films, Ajay Devgn has recently signed a five year deal for his upcoming movies with Star India for INR 4 billion. (Source: FICCI- KPMG Report 2013)

### Home Video

The home video market continued to decline in 2012, with market size shrinking by 15 percent from INR 2 billion to INR 1.7 billion. Piracy and the growing popularity of digital technology are the primary factors leading to a fall in market size. Moreover, Value Added Service (VAS) and Video on Demand (VoD) are an evolution of the home video market and are expected to take away significant share of the DVD/VCD market. For big budget films with a star cast, for instance, the number of DVDs sold in the entire country ranges between 30,000-40,000 units only.

Niche content such as lifestyle videos, educational videos and classic series continues to grow in the home video segment. Demand for such content has a long tail and has grown at a CAGR of 20-25 percent from 2007-2012, accounting for 10 percent of total home video sales.

### Ancillary Revenue Streams

Rising production costs, global economic slowdown, and increasing competition for exhibition screens has given rise to a pressing need for alternative sources of revenue. Ancillary revenue streams accounted for 4.8 percent of the total size of the Indian film industry in 2012 and are expected to contribute 5.7 percent by 2017. However, these revenue streams will continue to be a small number relative to box office.

- ***In-Cinema Advertising***

The growing penetration of digital distribution has given rise to the growth of in-cinema advertising, giving the advertiser the flexibility to target a captive audience in the desired region. Currently an exhibitor's revenue comprises 70 percent ticket sales, 20 percent food and beverage and 10 percent cinema advertising. While the proportion of each is expected to remain the same, the volume in absolute terms is expected to go up.  
(Source: FICCI- KPMG Report 2013)

- ***Licensing & Merchandising and Gaming***

L&M and Gaming are still very underpenetrated categories in India due to inhibitors like piracy and a diverse audience to be reached with different propositions and price points. Also, merchandising needs sustained brand recall, which Indian films have not been able to create as they mostly don't produce sequels.

Hollywood has, over the years created iconic figures such as Batman and Spiderman. India is yet to create iconic figures on a scale that will generate robust revenues for the producer. Disney's Cars generated moderate theatrical revenues in India but was immensely popular in the merchandising segment. Disney also tied up with consumer brands such as Pepsodent and Britannia to popularize the Cars merchandise.

Gaming also remains unexplored owing to lack of knowledge, captivity and reach. With a plethora of sequels and organized retail emerging in India, the merchandising and gaming markets if not tapped into will be a missed opportunity. Licensed merchandise today is inhibited by the lack of an appropriate retailing infrastructure – this segment will only grow once modern retail formats grow. With the government approving multibrand retail in India in 2012, the industry is indeed hopeful that this revenue stream can finally fulfil its promise.

(Source: FICCI- KPMG Report 2013)

- ***Pay Per View (PPV)***

With the net DTH subscriber base growing at 18.8 percent in 2012, pay per view is expected to grow robustly over the years. The phase 2 of TV digitization covering 38 cities was completed on March 31, 2013 and phase 3 aims to cover smaller towns and cities by November 2014. There will be considerable monetization potential for regional pay per view services. PPV will also aid the airing of parallel cinema movies, which often struggle to find slots in the exhibition space.

(Source: FICCI- KPMG Report 2013)

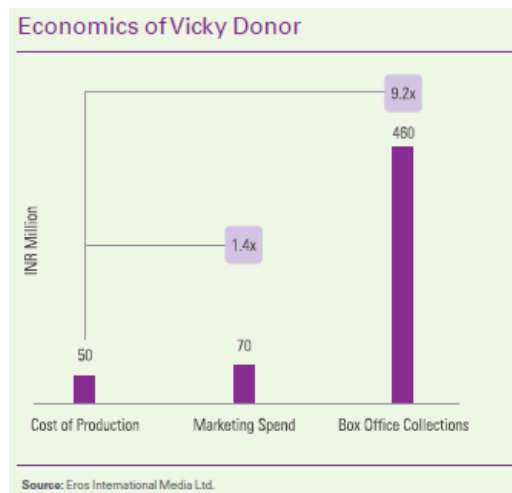
## **Film - Industry Growth Drivers**

### ***Distribution – Digital dominance is here***

Over the past few years the industry has steadily shifted from releasing films with physical prints to digital distribution. The share of the digital format has increased from roughly 50 percent in 2010 to around 80-90 percent in 2012. Digital distribution has enabled films to broaden their reach and do it far quicker than ever before. Distributors are now able to capture revenues in a shorter time frame by having same-day release across theatres and pre-selling C&S rights. Most films now garner about 60-80 percent of their revenue in the first week of release.

### ***Evolving production approach***

Production houses are now focusing on producing films which are based on strong content (storyline), small budgets and non-star films with aggressive marketing and distribution spends. The success of Vicky Donor marks the change in the content strategy of the Indian film industry.



Produced at a cost of ₹ 50 million, the film was promoted just like any big budget film with ₹ 70 million spent on marketing of the movie across various media platforms. The commercial success of the film can be measured in terms of its domestic gross box office collections which were 9.2x (INR 460 million) the cost of production and C&S rights which were sold at 1.5x the cost of production. The film was released overseas with 125 prints and grossed USD 1.2 million (INR 65 million) at the international box office.

### *The advent of organized funding*

Sourcing of film financing has been largely unorganized due to high risk nature of the business. However, with scaling up of revenues, Indian films are increasingly attracting private equity / venture capital funding from institutions directly. Cinema Capital, a venture capital fund focused on the film and entertainment sector has recently funded films like 'Heroine', 'Bol Bachchan', 'Chakravyuh' and 'Dabangg2'. Highground Enterprises, Magus Entertainment and Springboard Ventures are some of the other venture capital firms investing in Indian films.

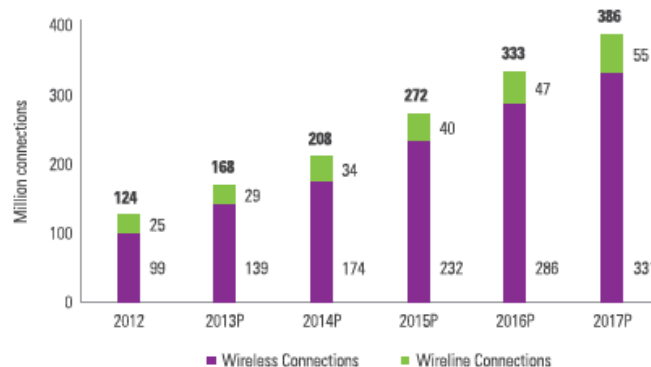
After a lull in interest from film funds and other venture funds' interest in the film business, 2012 saw a revival of interest. This indicates the growth of organized film financing for the film industry, and is expected to sustain and grow in the years ahead.

### **C. New Media**

New media continued its growth trajectory in 2012, with growth in advertising revenues of close to 40 percent over last year. Coming in at approximately INR 22 billion in revenue in 2012, digital ad spend reached approximately 6.7 percent of the total M&E industry advertising revenue.

As expected, mobile and wireless connections continued to drive the growth of internet penetration in India. By the end of 2012 there were 124 million internet connections in India, a rise of 41 percent over last year. Over last year fixed line connections grew by 11 percent. Over the same period, wireless connections have grown by almost 50 percent, outlining the importance of mobile data access in the overall digital economy. Going forward, the total number of connections is expected to surpass 380 million by 2017, with wireless connections comprising nearly 90 percent of all connections added over 2012-2017.

### **India - Internet connections, 2012-2017P**

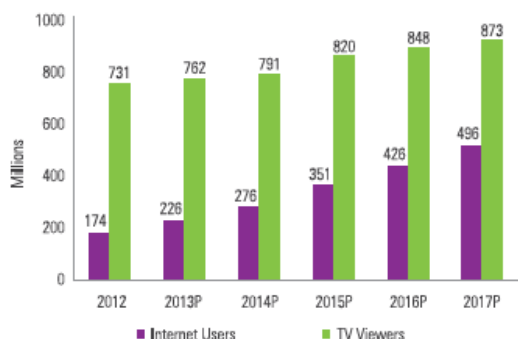


## The World's third largest Internet population

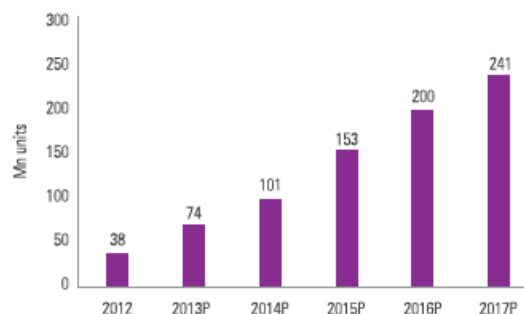
Taking into account multiple users for a single wireline connection, the number of internet users reached 174 million in 2012, about 25 percent of the size of the total TV viewers in the country and is expected to reach over 60 percent of total TV viewers by 2017. As and when cost effective 4G services are launched in India, this figure has the potential of being significantly higher. Either way, e-commerce players; content providers; tech companies and intermediaries will continue to disrupt and innovate to cater to opportunities offered by these users.

(Source: FICCI- KPMG Report 2013)

India Internet vs. TV penetration, 2012 - 2017P



India - Active Internet enabled smartphones, 2012-2017P

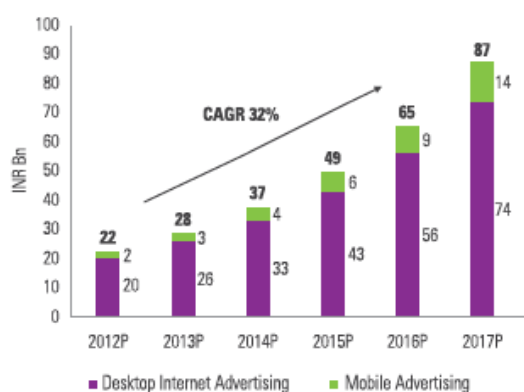


## Online Advertising

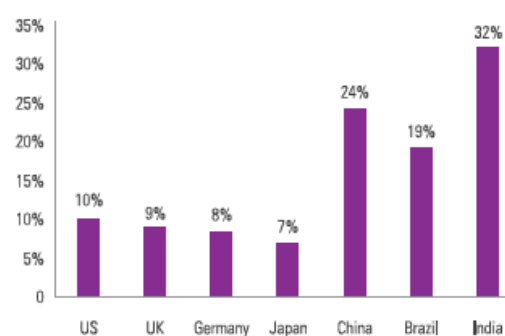
Monetization in the new media space in India continues to remain dependent on revenues from advertising. Growing at close to 40 percent, the online Ad market (excluding mobile) in India touched INR 20 billion in 2012, and is expected to grow at a 32 percent CAGR to reach INR 74 billion in 2017.

Mobile advertising currently accounts for a small share of the market, estimated at INR 1.7 billion. However, it is expected to grow significantly in the coming years, as advertising catches up with usage and time spent on mobile. Historically, there have been challenges related to screen size and return on investment (click through rates) for display advertising in mobile. However, a number of innovations in ad formats, growth in smartphones, larger screen sizes and penetration of tablets will ensure that mobile advertising continues to grow at a fast pace.

Indian Digital Advertising Market



Digital Ad spend CAGR 2012-2016



Source: <http://www.emarketer.com/Article/Emerging-Markets-Asia-Pacific-Propel-Digital-Ad-Spend-Growth-Region/1009598>

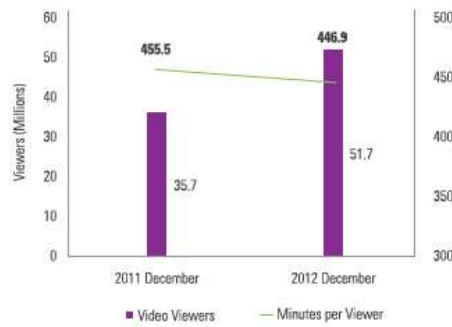
Mobile advertising continued to grow in India, however the base still remains small, and lags usage of mobile as an internet/data consumption device. The overall market for mobile advertising is estimated at INR 1.7 Billion, with growth of around 60-70 percent during 2012. Mobile advertising is currently dominated by search Ads, which account for over 75 percent of mobile advertising.

## Key Developments of 2012

### The battle in video heats up

Viewership for on-line video grew by 45 percent between December 2011 and December 2012. 52 percent of the total videos viewed belonging to the entertainment category and in fact most of the top YouTube channels were related to Bollywood.

### Indian Video Viewership Online



Source: Comscore "Rise of India's Digital Consumer"; Minutes per viewer refers to total minutes in the corresponding month.

Video in India continues to be dominated by short format video and mostly ad funded. Over the last two years, there have been several launches of long format video on demand services with mixed success. Video on demand in India continues to suffer from four big challenges:

- High bandwidth costs
- Availability of cheap content on cable and satellite
- Skepticism from content owners to license digital rights
- Lack of clarity on revenue sharing arrangements

However initial feedback on all new launches has been encouraging. There is clearly a huge unmet demand for good quality, long format content that can be viewed by a user on demand on any device – at a sensible price point.

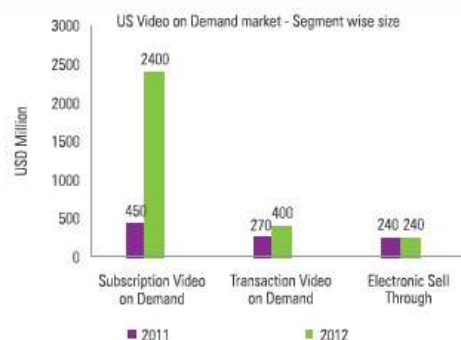
### Video on Demand

Video online is broadly divided into two categories, short and long format video. Short format video has so far been the predominant category online with a large share of user generated content. Google's Youtube has been dominant in this space, through an ad funded model.

Globally and in India, video is one of the fastest growing advertising categories online. Advertisers see similar benefits to Television in Online Video, in terms of its utility for high impact brand advertising. As a result, there is increased focus on professional content, given the higher potential for ad revenues. Ad rates for online video can be 5 to 10 times higher than that for basic display ads. Hence, through good quality, low cost, made for digital content, meaningful advertising can be achieved for short format video online.

The second category, long format video, includes more traditional television and film content. Given the relatively low penetration of high speed broad band in India, the penetration of long format digital video content is still low in India. However, as broadband penetration increases, such services are expected to grow. There have already been a few launches of VOD services for India, many of these focused on the mobile platform. However, these are still in initial stages, and are yet to see any significant amount of traction in terms of the paid user base.

### US Video on Demand market - Segment wise size



Source: IHS Screen Digest, June 2012; Company Annual Reports; KPMG in India Analysis.  
Please Note: Growth in the SVOD model is driven by Netflix decision to charge directly for online access from Q4 2011.

The key to the success of the SVOD model has been low subscription prices. However, access to low cost content is critical in order to achieving these price points. Content costs have increased at a 70 percent CAGR in the last 3 years and are placing significant stress on US based low price subscription based business models.

#### Implications for Indian players

- In India and globally, video advertising is one of the fastest growing advertising segments online; Opportunity for content owners to benefit from this through made for digital content
- Ad based monetization through short format, made for digital content is the more immediate monetization opportunity through online video in India and has a good level of exploitation already
- Broadband penetration remains a challenge to large scale adoption of traditional long format content
- For long format content online, subscription based video on demand dominates globally. In the medium term, given the low rates for Cable in India and the high cost of bandwidth, providing this at competitive price points relative to cable may be difficult (especially for mass adoption)
- However initial launches of video on demand services have seen an encouraging response. As the catalogue, technology and broadcast platforms improve, this could be a strong revenue generator for the industry

#### *iTunes and Apple TV come to India*

Apple launched the iTunes store in India in December 2012, allowing Indian users to buy local and international music from the store. Songs are priced at anywhere between INR 7 to INR 15 for singles and albums start at INR 70. Following the launch of Flipkart's Flyte last year, the entry of iTunes could provide a significant boost to digital music in India.

#### **D. Music**

Segment (INR bn)	2008	2009	2010	2011	2012	2013p	2014p	2015p	2016p	2017p	CAGR (2012-17)
Digital	1.9	2.6	4.2	5.2	6.0	7.0	8.3	10.1	12.6	16.1	21.7%
Physical	4.9	4.5	3.2	2.6	2.3	2.0	1.7	1.5	1.4	1.3	-10.5%
Radio & TV	0.4	0.5	0.7	0.6	1.4	1.6	1.8	2.0	2.3	2.7	13.7%
Public Performance	0.2	0.2	0.5	0.6	0.9	1.1	1.3	1.6	2.0	2.4	22.0%
<b>Total</b>	<b>7.4</b>	<b>7.8</b>	<b>8.6</b>	<b>9.0</b>	<b>10.6</b>	<b>11.6</b>	<b>13.1</b>	<b>15.3</b>	<b>18.3</b>	<b>22.5</b>	<b>16.2%</b>

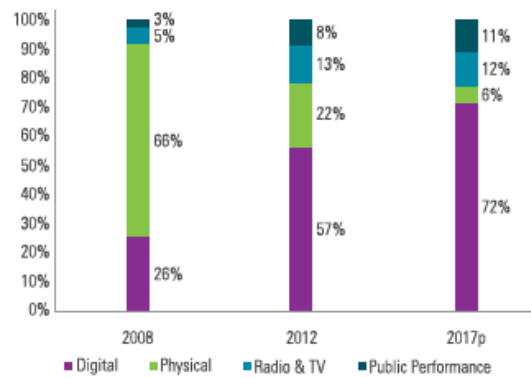
Indian music industry is estimated to be worth INR 10.6 billion in 2012 registering a growth of 18 percent over 2011. Digital tunes are now being played like never before contributing 57 percent of the total industry revenues.

While the TRAI guidelines restricting the automated renewal of Caller Ring Back Tones (CRBT) dampened the growth momentum - achieving a 16 percent Y-o-Y growth against last year's expectation of 18 percent, the industry is now gearing to take the digital audience to the next level by offering enhanced and affordable music services online and on mobile devices. Revenues from digital platforms are expected to gradually gain pace and grow at a CAGR of 21.7 percent over the next five years.

By 2017, digital revenues will contribute 72 percent to the music industry's revenues. This growth will be on the back of availability of faster broadband speeds and the uptake of subscription based online music services. Growth in music consumption (both online and mobile) is expected to drive the music industry to revenues of over INR 23 billion by 2017. (Source: FICCI- KPMG Report 2013)



## Composition of music revenues



## Key trends in the Music Industry

### Online music streaming becomes mainstream among Internet users

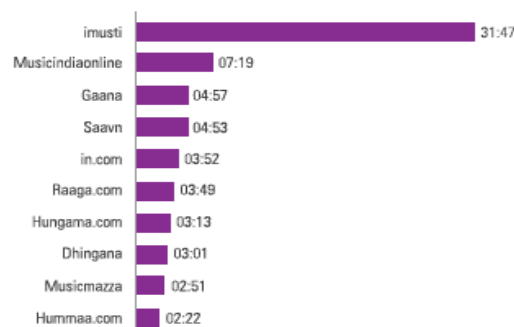
Online streaming is a major growth engine for the music industry, both globally and in India. According to Strategy Analytics, globally, online streaming revenues will grow at nearly 5 times the rate of growth for download revenues in 2012, at 40 percent versus 8.5 percent.

In India, streaming provides an unprecedented option of music consumption, more so when the download model has not fully taken up and there is rampant piracy. Further, with the rollout of 3G in India, access to high-speed Internet has become cheaper and more widely available for users to stream content online.

Music streaming sites have been witnessing significant growth in terms of unique visitors and amount of time spent by consumers. Online streaming music portals for Indian music such as gaana.com, dhingana.com, imusti.com and saavn.com are some of the popular players in this space in India.

(Source: FICCI- KPMG Report 2013)

### Estimated daily time on site (mm:ss) (Monthly average)



Source: <http://www.alexa.com>, accessed 8 February, 2013

### Licensed music stores coming to age

Until recently there were few legal sources for buying media content in India. In 2012 the Indian digital music industry saw the debut of Flipkart's Flyte and Apple's iTunes stores featuring comprehensive selection of local and international music from all the major labels and thousands of independent labels.



Music Store	Price/Song	Price/album	Library Size	Description
iTunes <sup>TM</sup>	INR 7 to 15 (Most new songs priced at INR 12)	Starting from INR70	26 million songs in high-quality	Purchase only possible through credit cards. Also has a cloud drive to store music.
Flyte <sup>TM</sup>	INR 8 to 15	Starting from INR25	Over 2 million unique tracks across 55 languages and 800 genres and subgenres.	Users can listen to a 30-second clip before making their purchase. Music purchase from Flyte is currently restricted to users in India only.
Nokia Music Store <sup>TM</sup>	N.A	N.A	Over 4.5 million tracks	Nokia Music is free for a limited period (depending on the category of device, duration of the free subscription lasts for 3, 6 or 12 months), post which, the subscription is at least INR113 per month.
Hungama <sup>TM</sup>	INR10	N.A	Over 2.5 million pieces of content including music tracks, movies, music videos & dialogues, ringtones & wallpapers	Allows full song streaming of music and videos. The store offers four different subscription plans, for example, INR99 for 99 tracks in a month.
Saregama <sup>TM</sup>	INR9.95	N.A	Has songs from various genres and languages. Also has old songs.	Provides songs and albums released under the Saregama label for purchasing. Saregama's store also has the option of delivering customized CDs. Users can opt to create their own playlists & have them burned on a MP3 CD to be delivered home for INR199 for 200 minutes (40 songs). It also has various membership plans for users.

Source: Respective company websites and digital stores

### ***Personalized applications enhance music discovery***

Applications were launched as mere tools for consumption - simple programs or casual games for tablets and smartphones. However, they have grown in capabilities and relevance to the music industry. A rise in the number of low-cost smartphones has enabled young Indians to access mobile applications like never before. The launch of 3G services has further boosted access, and the sector is expected to witness a boom once 4G and LTE services are launched.

### ***Music in the Cloud***

Music is difficult to manage, and cloud based platforms allow management of the entire catalogue across different types of devices. Cloud based Music services already have a foothold globally, especially in the United States. This trend is being mirrored in the Indian market, which saw the launch of iTunes Match service in India this year. Priced at INR 1200 per annum, this service allows users to scan and match songs procured from other sources to iCloud and then play them on any Apple device.

### ***Social Media fuelling digital engagement***

Social networks have developed huge consumer bases, which the businesses are using to target by setting up channels and feeds to engage with customers. Moreover, music is one of the most engaging topics of discussion on social networks globally. As per the International Federation of the Phonographic Industry (IFPI), around 67 percent of social network users in 20 countries discuss music and movies ahead of community issues (46 percent), sports (43 percent) and politics (34 percent).

### ***Live music thrives***

The Indian live events market is growing steadily. Year 2012 saw a numerous live music events in India spread across various music genres, locations and audience size. Both Indian and International artists and music festivals are popular amongst audiences, reflecting greater appreciation of different genres of music and changing mindsets leading to increased willingness to pay and enjoy live performances.

Live events in India can be broadly classified into three categories based on cost of the event and audience size. Category I events are relatively small, characterised by limited audiences and minor artists. Category II events are medium sized events featuring established Indian artists or International artists performing for an audience base of 5,000 to 10,000. Category III events are tours or 3-4 days long events with multiple artists performing live.

The entertainment industry spent approx INR 1 billion on live entertainment across events in 2012. As per industry discussions, the segment witnessed approximately 1-1.5x growth in revenues; however profitability has been impacted with most events unable to break even.

### ***Independent music continues to rise***

The independent music scenario in India has changed drastically in the recent past. While the independent music scene in India has been largely driven by live performances, it is now a growing market online. Industry participants believe that independent artists will constitute 1-2 percent of industry revenues in coming two years.

### ***Regional Music continues to grow***

Regional markets continue to provide ample scope for growth in the M&E sector and have witnessed a rise in content consumption across media platforms. In the music industry, Hindi film music continues to rule the music charts but there has been an increase in regional music consumption too. As per industry discussions, regional music now comprises approximately 30-35 percent of the overall music pie in India. Tamil, Telugu, Bengali, Punjabi and Bhojpuri are emerging regional music markets in India.

## OUR BUSINESS

*This section, unless the context otherwise requires, a reference to our "Company" refers to "Shemaroo Entertainment Limited" and a reference to "we", "us" and "our" refers to Our Company and our Subsidiaries and where the context requires the entertainment business of our Group Company Shemaroo Holdings Private Limited which was transferred to our Company pursuant to the Scheme of Arrangement. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our audited restated financial information as detailed in the section "Financial Statements" beginning on page 170 of this Prospectus. This section should be read together with the sections titled, "Risk Factors" and "Industry Overview" beginning on pages 15 and 100 of this Prospectus, respectively.*

## OVERVIEW

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

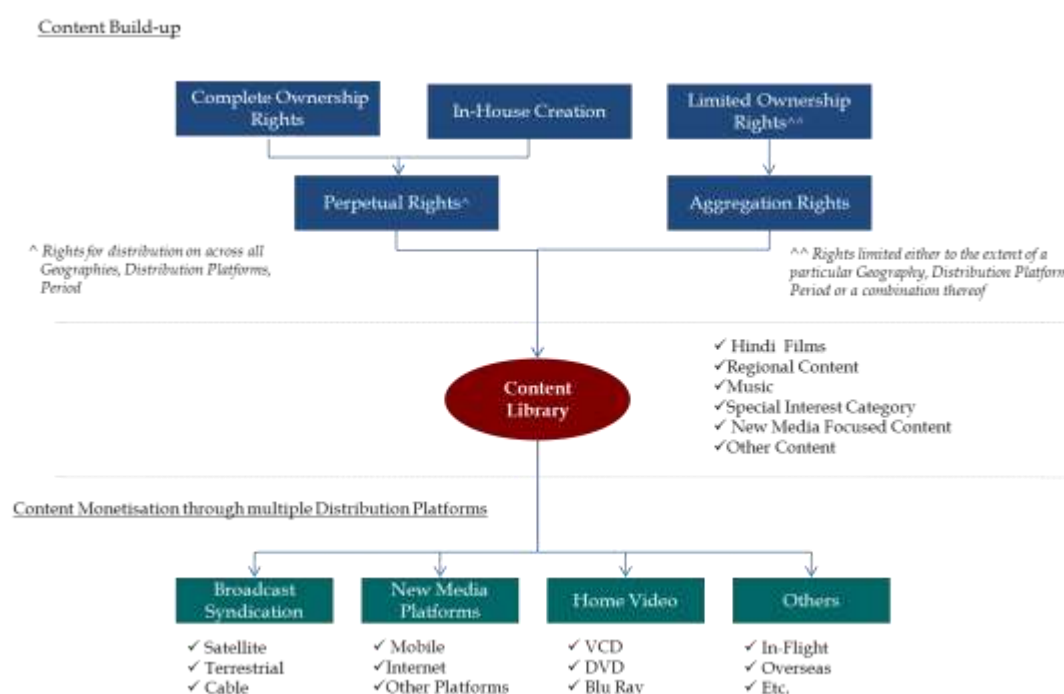
In 1979, we set up India's first video rental business and thereafter in 1987, we forayed into distribution of content through the home video segment in the video home system ("VHS") format. Over the years, our Company has successfully adapted to changing content consumption patterns by expanding into content aggregation and distribution for broadcasting on television platforms. We are continuing the expansion into New Media platforms.

Our Content Library consists of more than 2,900 titles spanning new Hindi films like Queen, Bhaag Milkha Bhaag, Dedh Ishqiya, The Dirty Picture, Kahaani, OMG: Oh My God!, Black, Ishqiya, Ajab Prem Ki Ghazab Kahani, Omkara, Dil Toh Baccha Hai, Bheja Fry 2, amongst others. Hindi films classics like Zanjeer, Beta, Dil, Disco Dancer, Mughal-e-Azam, Amar Akbar Anthony, Namak Halaal, Kaalia, Madhumati etc., titles in various other regional languages like Marathi, Gujarati, Punjabi, Bengali among others as well as non-film content. We are one of the largest independent content aggregators in Bollywood.

Currently, we distribute content over which we have either complete ownership rights or limited ownership rights.

Titles over which we have complete ownership rights are referred to as "**Perpetual Rights**", which allows us to distribute content worldwide for a perpetual period across all mediums. Titles over which we have limited ownership rights are referred to as "**Aggregation Rights**". Aggregation Rights are restricted by either period of usage, distribution platforms, medium and geography or combination thereof. Titles where we have Perpetual Rights or Aggregation Rights are known as our "Content Library".

We distribute our content through various mediums such as (i) television such as satellite, terrestrial and cable television; (ii) New Media platforms consisting of mobile, internet, direct to home ("**DTH**") and other applications; (iii) home entertainment; and (iv) other media. For further details, see "Our Business - Distribution Platforms" on pages 124 to 127 of this Prospectus.



Our recent initiatives include tying up as an official channel partner for Google Inc.'s You Tube where we are managing 32

channels. We are also moving beyond providing just content, to providing content management solutions to partners including Reliance Communications Re1 WAP store and Airtel digital television in connection with an interactive devotional service, namely “iDarshan”.

Our consolidated total income, EBITDA and profit after tax for Fiscal 2014 was ₹ 26,595.03 lakhs, ₹ 6,568.53 lakhs and ₹ 2,726.78 lakhs respectively, representing growth of 23.07%, 11.89% and 16.32% respectively as compared to Fiscal 2013.

## OUR STRENGTHS

We believe that the following are our primary competitive strengths:

### 1. **Shemaroo, an Established Brand Name**

On October 29, 2012 “Shemaroo” brand completed its 50<sup>th</sup> year of existence. From 1962 to date, the “Shemaroo” brand has been used by us in various media related activities including books and magazines rental business, a video rental business, content aggregation, content distribution, home video distribution and content creation. We believe that over the years the “Shemaroo” brand has high consumer recall as being associated with quality entertainment. Our content appears regularly on several television channels and is widely available on New Media platforms such as mobile and internet and across a vast network of retail outlets. This gives the “Shemaroo” brand a considerable and constant media visibility.

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

We believe that we have a diverse Content Library, which is growing continuously with the addition of new releases as well as through catalogue acquisitions. We believe this enables us to distribute to platforms catering to a wide range of audiences. Our Content Library consists of more than 2,900 titles spanning new Hindi films like Queen, Bhaag Milkha Bhaag, Dedh Ishqiya, The Dirty Picture, Kahaani, OMG: Oh My God!, Black, Ishqiya, Ajab Prem Ki Ghazab Kahani, Omkara, Dil Toh Baccha Hai, Bheja Fry 2, amongst others. Hindi films classics like Zanjeer, Beta, Dil, Disco Dancer, Mughal-e-Azam, Amar Akbar Anthony, Namak Halaal, Kaalia, Madhumati etc., titles in various other regional languages like Marathi, Gujarati, Punjabi, Bengali etc., as well as non-film content.

We have built a vast library of content ownership through Perpetual Rights and Aggregation Rights. As of July 31, 2014, our Company has Perpetual Rights for 759 titles out of which 355 are Hindi films. We have Perpetual Rights over content like Beta, Dil, Xcuse Me, Mann, Raja, Masti, Chal Mere Bhai, Dus, Shool, Aankhein, Love Ke Liye Kuch Bhi Karega and other classics like Anari, Jab Jab Phool Khile, Neel Kamal, Kaajal, and Shiva. We have strong content identification and acquisition capability as a result of our experienced management team which is focused on commercial viability backed by stringent legal and technical processes. For further details, see “Content Library” on pages 117 to 123 of this section.

As of July 31, 2014, following is the detail of our Content Library:

Sr. No.	Types of Content	Total Number of Perpetual Titles	Total Number of Limited Ownership Titles	Total Number of Titles
1.	Hindi films	355	1289	1644
2.	Regional Titles	364	728	1092
3.	Special Interest content i.e. Devotional Content, Kids Content, Motivational/Spiritual Content, Classic Television Serials, Health Related Content etc.	40	142	182
	<b>TOTAL</b>	<b>759</b>	<b>2159</b>	<b>2918</b>

For New Media platforms, we have tied up with more than 100 labels or content providers who provide us with a range of content including music, videos, imagery content, games, applications, celebrity chats, text content, and voice based services etc.

Our Content Library includes a mix of Hindi films, regional content, devotional content, and special interest content. The ongoing addition to our Content Library helps us generate diversified revenues and reduce our reliance on the success of a single film.

The size, extent and diverse nature of our Content Library allow us to package and distribute a diverse portfolio of content together, such that we are able to maximize our return on an aggregate basis. For example, our television syndication strategy is driven by licensing a package of films to television channels.

### 3. **Diversified Distribution Platforms**

We have a presence in various distribution platforms such as television, home entertainment, digital New Media and other media. For further details, see “Distribution Platforms” on pages 124 to 127 of this section.

We believe that we have an extensive distribution network which is our key strength and sustainable competitive advantage. We believe that we are one of the few companies within the Indian media and entertainment industry to have a comprehensive distribution capability backed by an in-house television syndication team, a New Media marketing team for mobile value added services (“MVAS”), internet, DTH and IPTV, and a nationwide home entertainment distribution network. We believe that our distribution reach is a key advantage, as we are able to offer “anytime, anywhere” entertainment to our consumers. This gives us a direct insight to the consumer preferences and consumption patterns across platforms helping us to cross-leverage these insights. This enhances our ability to monetize our content across various distribution platforms.

### 4. **De-risked Business Model**

We de-risk our business in following ways:

#### i. **Large Number of Titles:**

Our revenues are not dependent on the success of individual titles or content. Given the size of our Content Library, we are able to package diverse content and improve the overall returns.

#### ii. **Width and depth of distribution Platforms:**

We monetize our Content Library by exploiting our content over various existing and emerging distribution platforms. This reduces our dependence on any single customer or platform. Within platforms, we optimize the monetization throughout the lifecycle of the content. We also repurpose our content to suit consumption needs of individual distribution platforms.

#### iii. **Multiple genres and Types of Content**

We are also expanding our Content Library to include other regional content, as currently our Content Library focuses predominantly on the Hindi film segment. Further, we are also expanding our library beyond filmed entertainment content to various types of content such as special interest content, music content, devotional content, MVAS content etc. This helps us diversify our revenue mix.

### 5. **Experienced Directors and Management Team**

Our Directors and business management group are experienced within their respective specialised segments, as well as in the entertainment industry.

Our managing director Mr. Raman Maroo with approximately 40 years of business experience and Joint managing director Mr. Atul Maru with approximately 34 years of experience have had a major role in the growth and development of our business and brand name, “Shemaroo”.

We also have senior professionals, as a part of our management team, who have domain knowledge and experience, having acquired and distributed content for more than 25 years. We believe that, our management team possesses an in-depth understanding of the Indian film industry, content and content exploitation, and is therefore well-positioned to focus on the continued expansion and strengthening of our Content Library and distribution network.

Further, we believe that our Company’s management has in-depth knowledge of content consumption habits of customers across various platforms. Some of our senior executives such as Mr. Hiren Gada, Mr. Vinod Karani, Mr. Hemant Karani, Mr. Bipin Dharod, Mr. Ketan Maru. Mr. Harakhchand Gada and Ms. Smita Maroo are early entrants of the entertainment industry in India and accordingly have a deep insight on technology and market trends. Sensing the opportunity in New Media, Mr. Jai Maroo was given the responsibility to guide the strategy on and Ms. Kranti Gada was subsequently inducted to build the New Media team. Further, building on the existing team, our Company has inducted several experienced executives to drive the New Media distribution business.

### 6. **Strong Relationships in the Industry**

As an established entity, in various aspects of the entertainment industry in India, we believe that we have managed to create, maintain and build our goodwill with other industry participants. We believe that this has led to repeated business transactions with known names in the industry for acquisition of content such as R.K. Studios, Mukta Arts,

Percept Limited, Venus Worldwide Entertainment Pvt. Ltd. and Boney Kapoor as well as for distribution of content with platforms such as SONY, STAR, Colors amongst others. We have been acquiring and aggregating content for the last 25 years. Having worked with more than 500 producers of film and television content, we have access to content across various media. We have aggregated content rights across various segments including Hindi film content, regional language content, devotional content, music content and special interest content.

## **OUR STRATEGY:**

Our overall strategy is structured around our Content Library and its successful exploitation to ensure that it can be monetized through diversified platforms on a worldwide basis. Our strategy is designed to address predictability, scalability and sustainability, ultimately resulting in profitability.

The key elements of our strategy are as follows:

### **1. Scaling Up Our Content Library driven by return on Investment**

Our vision is to be a leading entertainment content aggregator through our acquisitions that has the ability to exploit such content over various existing and emerging distribution platforms.

Based on our view of entertainment consumption patterns and driven by return on investment, our strategy is to focus on acquiring additional content as follows:

#### *i. Perpetual Rights:*

Our aim is, to own the complete intellectual property rights in a film by acquiring Perpetual Rights, as well as, to monetize them over a maximum number of distribution platforms. For further details, see “Distribution Platforms” on pages 124 to 127 of this section. We believe that this will contribute to the long term sustainability of our business model. Our experience suggests that the monetization value of the rights keeps pace with average media inflation. As these rights keep revolving after every cycle, typically five years, the management believes that they will contribute to a stable and predictable revenue and profit stream.

#### *ii. Television broadcast rights and New Media Rights including Music based rights:*

Over the last few years television has emerged as a key monetization medium for films. Accordingly, our strategy is to further strengthen our competitive advantage by building on and augmenting our Aggregation Rights for television broadcast and further leveraging our portfolio approach. Based on our view of entertainment consumption patterns emerging over the next few years, we intend to expand further into New Media specific content including expanding our presence in the music business to enhance our scale in this segment.

The diverse additions to our Content Library, each year, is the result of a planned content acquisition strategy and is based on agreements that we have entered into with various production houses.

### **2. Enhancing Monetization of Our Content Library through Existing and Emerging Media Platforms**

Over the last few years, television has emerged as a key monetization medium for distribution of films. Further, the implementation of Cable TV Digitisation Law is expected to give a major boost to the broadcaster’s revenues from the subscription stream. We believe that this will lead to better monetisation of content, resulting in more demand and more revenue for content on television platform. Given our past performance in this segment, we expect this segment to continue to be an important revenue stream for us. Our strategy is to further consolidate our position through a combination of compelling content ownership, identifying viewership tastes and preferences and understanding of channel positioning and strategies.

We intend to broad base our revenue streams by further increasing our distribution of our content through New Media avenues, such as MVAS, internet, DTH, video on demand services and IPTV platforms. We have also entered into arrangements with telecom operators to have our own short code i.e. 58800 to distribute voice and video content and services. For further details, see “New Media” on pages 125 to 127 of this section.

We believe that the growth of internet subscriber and mobile phone subscriber volumes, and the growth of internet and mobile bandwidth will be key growth drivers and will help us to diversify our revenue streams as well as better monetize our Content Library.

### **3. Enhancing Revenue Predictability through Strategically Packaged Sales**

As non-theatrical revenues gain more importance, we believe that we have a vast and diverse Content Library that will allow us to monetize satellite licensing, digital New Media licensing and home video distribution efficiently, as

we will be able to aggregate and package several films together instead of monetizing each title on an individual basis.

Given our understanding of programming requirements and positioning of our customers, we typically package compelling content and not so compelling content together. We believe that this is a key competitive strategy which is a determining factor for content acquisition and distribution. This packaging of films enhances our overall return on investments.

#### **4. Optimizing Content Monetization across its Life-Cycle**

Managing the monetization of content across various distribution platforms over its life-cycle is a key part of our strategy to enhance profitability and generate revenue.

Monetization of content on various distribution platforms creates different revenue models and hence, a film's monetization needs to be carefully planned in order to optimize the potential of each available distribution platform.

Further, in view of different consumption patterns, our content needs to be reorganized for some of the distribution platforms. For example, for certain New Media platforms, smaller clips and song extracts of the entire film could typically attract good consumer viewership. In this regard, we have extracted several shorter clips of songs and scenes and created an innovative product by editing films to 15-20 minute length for distribution on New Media platforms.

Some older films need to be technically restored in order to make them fit for viewing on certain platforms. We have set up an in-house film restoration facility in 2006, where we have restored 383 films up to date.

#### **5. Creating a sustainable competitive advantage through Marketing Strategy and moving up the Value Chain**

Our marketing strategy is based on (i) leveraging industry relationships; (ii) monitoring distribution platforms; (iii) tracking varying consumer preferences; (iv) adapting our content offering; and (v) enhancing visibility and recall of our content titles.

For example, we believe that there is a need to reconnect younger audiences to old films given the age of certain films. This may take place in various ways including telecasting, media coverage and promotional arrangements. With the technology available today, our team is active in creating various activities and events around films, particularly on New Media platforms in order to attract and retain younger audiences.

Based on various events, festivals, seasons and other such events, we create a promotions plan to help promote our content on various platforms. Further, we package and/or customize the content to suit the respective event. We also tie-up with various operators to create joint promotions around various events.

While there are multiple content providers, we are building competitive advantages by moving up the value chain and providing not just content but more complete solutions. We do this by additionally providing content management services or bundling technology platforms with the content.

### **OUR BUSINESS ACTIVITIES**

Our business activities can broadly be divided into (I) Content Ownership, and, (II) Distribution and other related services as better detailed below:

#### **I. Content Ownership and Aggregation**

Our Content Library can broadly be classified into (i) titles over which we have complete ownership rights are referred to as **"Perpetual Rights"**, which allows us to distribute content worldwide for a perpetual period across all mediums, (ii) titles over which we have limited ownership rights are referred to as **"Aggregation Rights"**. Aggregation Rights are restricted by either period of usage, distribution platforms, medium and geography or combination thereof. Aggregation Rights are restricted by either period of usage, distribution platforms, medium and geography or a combination thereof.

We source our content through acquisitions, and exploit our Content Library through various distribution platforms (For further details, see "Distribution Platforms" on pages 124 to 127 of this section). The selection of the content to be acquired, as a Perpetual Right or Aggregation Right, is decided by the acquisition committee consisting of members who are a part of the senior management of our Company (the **"Acquisition Committee"**), with the assistance of senior employees of our Company and other business heads.

The cost of content acquisition is an important aspect of our business and an important factor for the determination of

our return on investment. Our experience in the entertainment industry has enabled us to set up systems and processes, which we believe enables us to determine the cost of such content acquisition. We, selectively acquire our content, based on our projection of the return on investment in such content.

Content, either having Perpetual Rights or Aggregation Rights, is acquired by us, only after thorough research, viewership ratings, box office records, cast, technical execution, genre, track record of the relevant production house, reviews, awards and commercial value of the potential content exploitation on various distribution platforms. Also typically, content owners sell the content as a bundle of titles with varying commercial value. Every potential acquisition is evaluated by the Acquisition Committee based on above factors. We utilize our exhaustive in house data base for this purpose.

Although there is no fixed process for arriving at the acquisition price for a particular content, the Acquisition Committee uses the criteria described above and couples it with their past experience and relationships with content owners. Based on this evaluation, we are able to make competitive quotations for acquiring the content.

## **1. Types of Rights**

### **(i) Perpetual Rights**

We have complete ownership rights which allow us to distribute content worldwide for a perpetual period across all mediums. Such rights over the content are referred to, by us, as Perpetual Rights. Perpetual Rights are obtained by us, either by way of acquisition or creation. We believe that, we have a large Content Library with Perpetual Rights.

#### **(a) Content Acquisition**

As of July 31, 2014, our Company has Perpetual Rights for 759 titles out of which 355 are Hindi films. We have Perpetual Rights for content like Anari, Jab Jab Phool Khile, Neel Kamal, Kaajal, and Shiva. We continue to focus on acquiring Perpetual Rights and have various in-house processes for acquiring and managing our content.

#### **(b) Content creation**

We also produce films which provide us with assured Perpetual Rights over the content. Film production has also ensured our presence in the entertainment industry, keeping abreast with new talent and developments in the industry.

We commenced production of films in year 2005 with a focus on mid-sized films and producing not more than one or two films a year. The Hindi films produced by us from Fiscal 2005 to Fiscal 2014 are Dedh Ishqiya, Ishqiya, Mere Baap Pehle Aap, Manaorama Six feet Under and Kuch Meetha Ho Jaye.

### **(ii) Aggregation Rights**

We also acquire content over which we have Aggregation Rights. Content acquired under these rights have certain restrictions over monetization. Such rights restrict or limit the usage of the acquired content by period of usage, distribution platforms, medium and geography or a combination thereof.

We have been acquiring and aggregating content for the last 25 years. Having worked with more than 500 producers of film and television content, we have access to content across various media. We have aggregated content rights across various segments, including Hindi film content, regional language content, devotional content, music content and special interest content. We believe that the acquisition of certain non-traditional content, (such as music rights and rights for religious and devotional content) is a worthwhile strategy to pursue as it creates a new revenue stream for us.

## **2. Content Types**

### **(i) Hindi Films**

In our Content Library of Hindi films, we have Perpetual Rights over notable new films such as Beta, Dil, Xcuse Me, Mann, Raja, Masti, Dus, Chal Mere Bhai, Love Ke Liye Kuch Bhi Karega, Aankhen, Bhoot amongst others and Classic Hindi films like Amar Akbar Anthony, Kaalia, Khuda Gawah, Jab Jab Phool Khile, and Anari, amongst others.

Our Content Library of Aggregation Rights over films like Ajab Prem Ki Ghazab Kahani, Bhagam Bhag, Khatta Meetha, Golmaal – Fun Unlimited and Pyaar Kiya To Darna Kya amongst others.



(ii) Regional Content

Our Content Library includes films in various regional languages like Marathi, Gujarati, Bengali, and Punjabi, with films like Dombivali Fast (Marathi), Shwaas (Marathi), Ready (Telugu), Anuranan (National award winning Bengali film) and Vacha Dada Ni Dikri (Gujarati). We acquire as well as produce films in regional languages.

(iii) Music Content

Our Company has acquired Perpetual Rights over music content for exploitation over all distribution platforms.

Our Content Library consists of Bollywood songs including songs we acquired recently from the music catalogue of Pen India (Popular Entertainment Network). We intend to distribute these on various digital platforms *inter alia* mobile phones, internet and traditional platforms like radio amongst others.

(iv) Digital Content and Services

Our Company has acquired a range of content for New Media including ringtones, caller ring back tones, video clips, imagery content, games, applications, celebrity chats, text content, voice-based services amongst others. We have tied up with more than 80 labels/ content providers for the relevant content. These are across over 20 regional languages in various genres such as folk, pop, film-based amongst others.

(v) Special Interest Category

(a) Devotional Content

To ensure strategic access to devotional content, we have acquired 50% stake in Vistaas Digital Media Private Limited, which owns religious/devotional content. Besides, we have also entered into an agreement with Vistaas Digital Media Private Limited for the distribution of religious/devotional content in connection with, *inter alia*, live darshans and aartis which are linked to various temples and shrines such as Shirdi Sai Baba, Ajmer Sharif, Shani Shingnapur among others, devotional films and songs, debates, discussions, pravachans, satsangs, discourses, and travel episodes in connection with various pilgrimages, temples and shrines across the country. In addition to the above, we have entered into agreements with other labels to aggregate more devotional content.

(b) Kids/ Animation Content

We have a number of Indian animation films in our Content Library. Further, our Company has produced animation content including films like Super K, Bal Ganesh, Bal Ganesh 2, Ghatothkach and series like Tina & Fruit Salad, Tina & The Magical Alphabets. In addition, our Company owns educational content for children.

(c) Motivational/ Spiritual Content

We have in our Content Library motivational and spiritual content like Chanakya Speaks - The seven pillars for business success, Osho, The Secret, etc.

(d) Classic Television Serials

We have in our Content Library some classic Hindi television serials such as Zaban Sambhal Ke, Ye Jo Hai Zindagi, Nukkad, amongst others.

(e) Health Related Content

We have in our Content Library health related content including Shilpa's Yoga and Bipasha Basu's 'Fit and Fabulous You' and 'Break Free' amongst others.

Some of the significant titles of our current Content Library, as of July 31, 2014, are highlighted below:

**Significant titles of Hindi films with Perpetual Rights:**

Sr. No.	Name of Title	Year of Release	Star Cast	Director
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Sr. No.	Name of Title	Year of Release	Star Cast	Director
1.	Amar Akbar Anthony	1977	Amitabh Bachchan, Vinod Khanna, Rishi Kapoor, Neetu Singh, Parveen Babi, Shabana Azmi.	Manmohan Desai
2.	Namak Halaal	1982	Amitabh Bachchan, Shashi Kapoor, Parveen Babi, Smita Patil	Prakash Mehra
3.	Kaalaa	1981	Amitabh Bachchan, Parveen Babi, Asha Parekh, Amjad Khan	Tinnu Anand
4.	Ishqiya	2010	Arshad Warsi, Vidya Balan, Naseeruddin Shah	Abhishek Chaubey
5.	Dedh Ishqiya	2014	Arshad Warsi, Madhuri Dixit Nene, Huma Qureshi, Naseeruddin Shah	Abhishek Chaubey
6.	Dus	2005	Sanjay Dutt, Abhishek Bachchan, Suniel Shetty, Zayed Khan, Esha Deol, Shilpa Shetty, Raima Sen, Dia Mirza	Anubhav Sinha
7.	Khakee	2004	Amitabh Bachchan, Akshay Kumar, Ajay Devgn, Aishwarya Rai, Tusshar Kapoor, Lara Dutta	Rajkumar Santoshi
8.	Aankhen	2002	Amitabh Bachchan, Akshay Kumar, Sushmita Sen, Arjun Rampal, Paresh Rawal, Bipasha Basu	Vipul Amrutlal Shah
9.	Love Ke Liye Kuch Bhi Karega	2001	Saif Ali Khan, Fardeen Khan, Aftab Shivdasani, Sonali Bendre, Twinkle Khanna	E.Niwas
10.	Chal Mere Bhai	2000	Sanjay Dutt, Salman Khan, Karishma Kapoor	David Dhawan
11.	Khuda Gawah	1992	Amitabh Bachchan, Sridevi, Nagarjuna, Shilpa Shirodkar, Danny Denzongpa	Mukul S. Anand
12.	Mahaan	1983	Amitabh Bachchan, Zeenat Aman, Parveen Babi, Waheeda Rehman	S.Ramanathan
13.	Anari	1959	Raj Kapoor, Nutan, Lalita Pawar, Motilal	Hrishikesh Mukherjee
14.	Shiva	1991	Nagarjuna, Amala, Raghuvaran	Ram Gopal Varma
15.	Deewangee	2002	Ajay Devgan, Akshaye Khanna, Urmila Matondkar	Anees Bazmee
16.	Dil	1990	Aamir Khan, Madhuri Dixit, Anupam Kher, Saeed Jaffery	Indra Kumar
17.	Beta	1992	Anil Kapoor, Madhuri Dixit, Aruna Irani, Anupam Kher	Indra Kumar
18.	Mann	1999	Aamir Khan, Manisha Koirala, Anil Kapoor, Deepti Bhatnagar	Indra Kumar

**Significant titles of Hindi films with Aggregation Rights:**

Sr. No.	Name of Title	Year of Release	Star Cast	Director
1.	Mughal-E-Azam (B&W / Colour)	1960/2004	Prithviraj Kapoor, Dilip Kumar, Madhubala, Durga Khote, Ajit	K.Asif
2.	Jab We Met	2007	Shahid Kapoor, Kareena Kapoor	Imtiaz Ali
3.	Golmaal - Fun Unlimited	2006	Ajay Devgan, Arshad Warsi, Tusshar Kapoor, Sharman Joshi, Rimi Sen, Paresh Rawal	Rohit Shetty
4.	Golmaal Returns	2008	Ajay Devgan, Kareena Kapoor, Tusshar Kapoor, Arshad Warsi, Shreyas Talpade, Amrita Arora, Celina Jaitley	Rohit Shetty
5.	Queen	2014	Kangana Ranaut, Lisa Haydon	Vikas Bahl
6.	Bhaag Milkha Bhaag	2013	Farhan Akhtar, Sonam Kapoor	Rakeysh Omprakash Mehra

Sr. No.	Name of Title	Year of Release	Star Cast	Director
7.	Anand	1971	Rajesh Khanna, Amitabh Bachchan, Sumita Sanyal, Ramesh Deo, Seema Deo, Johnny Walker	Hrishikesh Mukherjee
8.	Don	1978	Amitabh Bachchan, Zeenat Aman, Pran, Iftekhar, Helen	Chandra Barot
9.	Chupke Chupke	1975	Dharmendra, Amitabh Bachchan, Sharmila Tagore, Jaya Bhaduri, Om Prakash	Hrishikesh Mukherjee
10.	Bhagam Bhag	2006	Akshay Kumar, Govinda, Lara Dutta, Paresh Rawal, Jackie Shroff, Tanushree Dutta	Priyadarshan
11.	Sarkar	2005	Amitabh Bachchan, Abhishek Bachchan, Katrina Kaif, Tanisha, Kay Kay Menon	Ram Gopal Varma
12.	Ghayal	1990	Sunny Deol, Meenakshi Sheshadri, Raj Babbar, Moushumi Chatterjee, Amrish Puri	Raj Kumar Santoshi
13.	Virasat	1997	Anil Kapoor, Tabu, Milind Gunaji, Pooja Batra, Amrish Puri	Priyadarshan
14.	Shahenshah	1988	Amitabh Bachchan, Meenakshi Sheshadri, Amrish Puri, Pran, Supriya Pathak	Tinnu Anand
15.	Satte Pe Satta	1982	Amitabh Bachchan, Hema Malini, Ranjeeta, Amjad Khan, Sachin, Shakti Kapoor	Raj N.Sippy
16.	Zanjeer	1973	Amitabh Bachchan, Jaya Bhaduri, Pran, Om Prakash, Ajit, Bindu	Prakash Mehra
17.	Laawaris	1981	Amitabh Bachchan, Zeenat Aman, Vikas Anand, Mumtaz Begum, Jeevan	Prakash Mehra
18.	The Dirty Picture	2011	Vidya Balan, Emraan Hashmi, Tusshar Kapoor, Naseeruddin Shah	Milan Luthria
19.	Judwaa	1997	Salman Khan, Karisma Kapoor, Rambha, Kader Khan	David Dhawan
20.	Mujhse Shaadi Karogi	2004	Salman Khan, Akshay Kumar, Priyanka Chopra, Amrish Puri	David Dhawan
21.	Sarfaroosh	1999	Aamir Khan, Naseeruddin Shah, Sonali Bendre, Mukesh Rishi	John Mathew Matthan

#### Significant titles of Regional films with Perpetual Rights:

Sr. No.	Name of Title	Year of Release	Star Cast	Director
1.	Nanak Nam Jahaz Hai (Punjabi)	1969	Prithviraj Kapoor, Vimi, Som Dutt, Nishi, David Abraham	Ram Maheshwary
2.	Majha Navra Tujhi Baiko (Marathi)	2006	Bharat Jadhav, Ankush Chaudhary, Kranti Redkar, Kishori Godbole, Siddharth Jadhav, Johnny Lever	Kedar Shinde
3.	Anuranan (Bengali)	2006	Rahul Bose, Rituparna Sengupta, Raima Sen, Rajat Kapoor	Aniruddha Roy Chowdhury
4.	Jija Ji (Punjabi Telefilm)	2005	Jaspal Bhatti, Gurpreet Guggi, Jaswinder Bhalla	Jaspal Bhatti
5.	Bas Kar Bakula (Gujarati Drama)	2006	Siddharth Randeria, Rajul Diwan, Suraj Vyas, Swati Shah, Rajkamal Deshpande, Purvi Vyas	Siddharth Randeria
6.	Egaro - The Eleven (Bengali)	2011	Monu Mukherjee, Shankar Chakraborty, Rajat Ganguly, Tulika Basu, Debaparna Chakraborty	Arun Roy
7.	Vasudev Balwant Phadke (Marathi)	2008	Ajinkiya Deo, Vikram Gokhale, Sonali Kulkarni, Ramesh Deo	Gajendra Ahire

Sr. No.	Name of Title	Year of Release	Star Cast	Director
8.	Gujjubhai E Gaam Gajavyu (Gujarati Drama)	2007	Siddharth Randeria, Ashish Bhatt, Sachi Joshi, Leena Shah, Rahul Patel, Suraj Vyas	Siddharth Randeria
9.	Bakula Namdeo Ghotale (Marathi)	2007	Bharat Jadhav, Vijay Chauhan, Siddharth, Sonali Kulkarni, Resham Tipnis	Kedar Shinde
10.	Prem NoPublic Issue (Gujarati Drama)	2008	Siddharth Randeria, Bhairavi Vaidya, Rajul Diwan, Purvi Vyas, Manish Gandhi, Nilesh Joshi	Siddharth Randeria
11.	Dhoom 2 Dhamaal (Marathi)	2011	Ashok Saraf, Sushant Shelar, Shweta Mehendale, Siya Patil	Sachin Goswami
12.	Ramabai Bhimrao Ambedkar (Marathi)	2010	Nisha Parulekar, Ganesh Jetha, Dashrath Hatiskar, Manoj Takane	Prakash Jadhav
13.	Necklace (Bengali)	2011	Rituparna Sen Gupta, Rudrani Ghosh, Locket Chatterjee	Shekhar Das
14.	Haldi Kunku (Marathi)	1979	Ravindra Mahajan, Usha Naik, Ranjana, Ashok Saraf	Vishwanath More

**Significant titles of Regional films with Aggregation Rights:**

Sr. No.	Name of Title	Year of Release	Star Cast	Director
•	Dombivali Fast (Marathi)	2005	Sandeep Kulkarni, Shilpa Tulaskar, Sandesh Jadhav	Nishikant Kamat
•	Nouka Dubi (Bengali)	2011	Prosenjit, Raima Sen, Riya Sen, Jishu Sengupta	Rituparno Ghosh
•	Chokher Bali (Bengali)	2003	Aishwarya Rai, Prasenjit Chatterjee, Raima Sen Lily Chakroborty	Rituparno Ghosh
•	Driver Dilwalo (Gujarati)	2007	Hiten Kumar, Pranjal Bhatt, Jamini Trivedi, Jayendra Mehta, Devendra Pandit	Hareesh G. Patel
•	Ek Vaar Piyune Malwa Avjo (Gujarati)	2006	Hiten Kumar, Vikram Thakore, Firoz Irani, Nilesh Mohite, Minakshi, Mamta Soni	Harsukh Patel
•	Shwaas (Marathi)	2004	Arun Nalwade, Ashwin Chitale, Amruta Subhash, Sandeep Kulkarni	Sandeep Sawant
•	Mannat (Punjabi)	2006	Jimmy Shergill, Kulraj Randahwa, Deep Dhillon, Kanwaljeet Singh, Manav Vij	Gurbir S. Grewal
•	Ready (Telugu)	2008	Ram, Genelia D'Souza, Tanikella Bharani, Nassar, Sunil, Chandra Mohan, Brahmanandam and JayaPrakash Reddy	Srinu Vaitla
•	Maan Sanman (Marathi)	2009	Shivaji Satam, Reema Lagu, Yatin Karyekar, Resham Tipnis, Mahesh Jadhav, Pankaj Vishnu	Pravin Raja Karale
•	Mosabi Narangi (Marathi)	1981	Shriram Lagu, Nilu Phule, Ashok Saraf, Sushma Shiromani	Dutta Keshav
•	Noble Chor (Bengali)	2011	Mithun Chakraborty, Sumitra Chatterjee, Rupa Ganguli	Bikram Ghosh
•	Agantuk (Bengali)	1991	Utpal Dutt, Dipankar Dey, Mumta Shankar, Dharitman Chatterjee	Satyajit Ray
•	Ganashatru (Bengali)	1989	Soumitra Chatterjee, Dharitman Chatterjee, Mamta Shankar, Ruma Guha	Satyajit Ray
•	Ghare Baire (Bengali)	1984	Soumitra Chatterjee, Victor Banerjee, Swati Lekha	Satyajit Ray
•	Jatt and Juliet (Punjabi)	2012	Diljeet Dosani, Neeru Bajwa, Sari Mecher, Upasana Singh	Anurag Singh
•	Carry On Jatta (Punjabi)	2012	Gippt Garewal, Mahi Gill, Gurpreet Ghuggi, Kalwaljeet Singh	Sameep Kang

Sr. No.	Name of Title	Year of Release	Star Cast	Director
•	Muktodhara	2012	Rituparna Sengupta, Nigal Akkara, Bratyo Basu, Deb Shankar Halder	Shiboprosad Mukherjee and Nandita Roy

**Significant titles of Special Interest Category with Perpetual Rights:**

Sr. No.	Name of Title	Year of Release	Star Cast	Director7
1.	Ghatotkach (Master Of Magic)	2008	Animation Film	Singeetam Srinivasa Rao
2.	Bal Ganesh	2007	Animation Film	Pankaj Sharma
3.	Bal Ganesh Part 2	2009	Animation Film	Pankaj Sharma
4.	Bal Hanuman 2	2010	Animation Film	Pankaj Sharma
5.	Pandavas - The Five Warriors	2001	Animation Film	JD Jermy
6.	Sindbad- Beyond The Veil Of Mists	2000	Animation Film	Evan Desmond
7.	Son Of Alladin	2003	Animation Film	Singeetam Srinivasa Rao
8.	Super K	2011	Animation Film	Vijay S. Bhanushali/ Smita Maroo
9.	Chanakya Speaks - The seven pillars for business success,	2013	Self-Development	Vasudevan Srinivasan

**Significant titles of Special Interest Category with Aggregation Rights:**

Sr. No.	Name of Title	Year of Release	Star Cast	Director
1.	The Secret	2008	Motivational Programme	Drew Heriot
2.	Bipasha Basu- Love Yourself	2010	Fitness Programme	Shwetabh C Varma
3.	Ye Jo Hai Zindagi	2007	Shafi Inamdar, Swaroop Sampat, Rakesh Bedi, Satish Shah, Farida Jalal, TikuTalsania	Kundan Shah
4.	Zaban Sambhal Ke	TV Serial	Pankaj Kapoor, Tanaaz Currim, Bhavna Balsaver, Shubha Khote, Viju Khote, Tom Alter	Rajiv Mehra
5.	'Osho Talks' Series	2010	Self-Development	-
6.	Shilpa's Yoga	2008	Fitness Programe	Manish Jha
7.	You can heal your life	2009	Self-Development Programe	Louise Hay
8.	Bipasha Basu - Break Free	2013	Fitness Programe	Shwetabh C Varma

**3. Nature of Rights**

**(i) Broadcast Rights**

Broadcast rights consist of the right to broadcast the content on television networks, including satellite, cable, terrestrial television and combinations thereof.

**(ii) Digital Rights**

New media refers to emerging digital communication technologies that are interactive with and networkable by the end user. Examples of these technologies include mobile, internet, and other emerging communication technology platforms. We believe that a broad array of content can be distributed through such New Media technology platforms.

Our Content Library also consists of New Media rights that would enable us to distribute the content on mobile phones, internet, IPTV, DTH, etc. to monetize future opportunities.

**(iii) Home Video Rights**

A home video right is mainly for distribution of content through physical medium like Blu Ray, DVDs, VCDs, etc.

(iv) Music Rights

Music rights includes right to monetize a song/ music across various platforms. Music rights are mainly monetized in three ways namely, New Media, physical media (Audio CD's, MP3 CDs) and ancillary media (e.g. Radio).

Monetization of music rights through New Media platforms includes the sale of content as mobile phone ringtones, caller ring back tones, music downloads, music streaming, etc. With the growing number of value added services for mobile phones, New Media has emerged as an important revenue contributor to our music distribution.

(v) Other Rights

In addition to the above, film content is used across various other platforms and geographies, thus leading to a variety of rights being vested in us. Key among these rights includes overseas distribution rights, which involves the right to distribute films on various platforms internationally and including distribution to airlines for their in-flight entertainment systems (airborne rights). Also among these rights are included rights for various applications and usage of film content.

## II. Distribution Platforms

We exploit our Content Library by using our abilities to distribute our content through various mediums such as (i) broadcast syndication, (ii) New Media, (iii) home entertainment, and (iv) other media.

### I. Broadcast Syndication

Content owned by us, especially films, are regularly broadcasted on various television networks. We own television broadcasting rights to, what we believe, is a large Content Library. Accordingly, we are uniquely positioned to exploit television broadcasting opportunities.

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

In television, films are broadcasted largely across three platforms, namely, (i) satellite television, (ii) cable television, and (iii) terrestrial television.

(i) Satellite Television

The content distributed by us to satellite television broadcasters predominantly consists of Hindi films. There is an ever increasing demand for compelling content with a steady increase in the number of Hindi General Entertainment Channels (GECs) as well as Hindi films channels. Hindi films channels command a strong viewership share of 17%, in Hindi speaking markets, second only to GECs. However, with only 200-250 Hindi films released each year, of which the ratio of successful films is limited, there is a shortage of content.

However, with channels becoming more and more competitive, content providers have experienced more bargaining powers vis-à-vis broadcasters. We have been able to procure very good prices for our content leading to higher realization.

Our Company enters into an exclusive agreement for a particular film or package of films with a particular channel or a particular group for broadcasting of our film, on its channel/ multiple channels within the same group, for a specified period of time. For example, we have agreement with SONY Entertainment Television for telecasting certain films on their multiple channels within the group such as SET Max, SAB TV and SONY GEC.

(ii) Cable Television

Cable television licensing is another revenue stream wherein an increasing number of cable operators are licensing rights of our content.

(iii) Terrestrial Television

We also license content for broadcasting on terrestrial television network.

## 2. New Media

We are one of the prominent players in the New Media segment. We have been awarded Best Content Provider by Infofriend South ICT Awards in 2011.

We have agreements with a large number operators for distribution of content through platforms such as mobile networks, internet, IPTV and DTH. We have tie-ups with almost all major players in this respect.

Notable milestones for distribution over such media are as follows:

Sr. No.	New Media Segment	Key Milestone
1.	Internet	Official channel partner for YouTube, with 32 channels.
2.	DTH	Content management services for Airtel Digital TV for “iDarshan”
3.	Mobile	Agreement with Reliance Communications for managing their Rel WAP store. Agreements for voice and video short code 58800 with mobile operators

### (i) MVAS

Our Company has entered into agreements with major telecom operators, namely Airtel, BSNL, Tata Teleservices, Reliance Communication, MTNL, Tata Docomo amongst others to distribute our product portfolio which inter alia includes caller ringback tones, ringtones, wallpapers, imagery, videos, games, full songs, celebrity chats, etc. As of today, we have more than 30,000 caller ringback tones available on these platforms. We have been working closely with operators to ensure adequate distribution and marketing of our products.

We also distribute our content through various handset manufacturers, either through pre-embedding or through their online services.

We also distribute/ license our content for embedding on memory cards, mobile phones, USB Drives and kiosks.

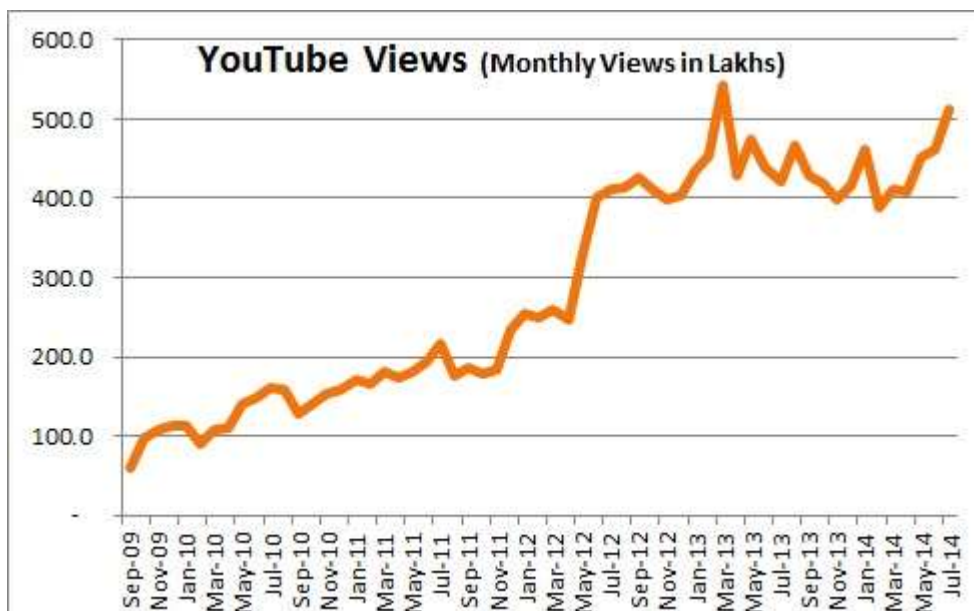
The commencement of 3G services in India has further boosted the MVAS industry. We believe that an increased penetration and usage of 3G in India will increase the usage of digital media platforms for the purpose of entertainment, especially video.

### (ii) Internet

We have agreements with various internet video destinations like YouTube, Daily Motion, Yahoo India, Spuul etc. and several services for the distribution of our content on the internet to internet connected televisions, internet connected set top boxes and applications running on various devices.

Our Company is an official channel partner of Google Inc’s YouTube and has around 32 channels like Shemaroo Movies, Shemaroo Ent and Filmi Gaane with both film and non-film content running on it.

Our content has been successful on YouTube, with total views constantly increasing.



Our Company distributes its content through several leading international portals for digital music sales and music streaming. We are now also expanding to other online platforms.

The combination of these trends, as well as increasing amounts of content being put online for consumption, has resulted in many more opportunities for us to monetize our content. We are also building out the team to support this by deploying more content and using newer ways to market content like using social media and viral marketing to drive consumption. Also, we are experimenting with newer ways to deploy content for different devices, as well as newer models for monetization.

(iii) **Other New Media Platforms**

With the advent and growth of DTH services in India, a new way of reaching the homes of consumers has emerged.

In addition to being a carriage medium for television broadcasters, DTH services also offer various interactive services to their customers. These interactive services include education, music, films, devotional content and games. We have entered into an agreement with Airtel to exclusively manage content for its interactive devotional service called iDarshan.

Our Company plans to monetize its Content Library by offering more interactive services on DTH platforms.

We provide content to Indian IPTV operators such as franchisees of Bharat Sanchar Nigam Limited, Mahanagar Telephone Nigam Limited, and to Bharti Airtel Limited directly. Our Company also offers end-to-end content management services, such as aggregation, conversion, programming and marketing to other industry players.

### 3. **Home Entertainment**

Home entertainment distribution involves obtaining home video rights over film and non-film content for physical distribution through Blu Ray, DVDs and VCDs.

We believe that home video has been the face of our Company for decades and has helped build the “Shemaroo” brand.

Over the years, our Company has successfully migrated from one content format to another and has accordingly transformed its focus from Video VHS to VCD to DVD to Blu Ray.

Our home entertainment distribution consists primarily of DVD and VCD sales to consumers via retail outlets, dealers and distributors and online via [www.shemaroo.com](http://www.shemaroo.com). We distribute our content by entering into distribution arrangements with distributors and dealers for the sale of our content across India. We have a product presence across more than 2,000 retail stores across over 75 towns and cities in India. Our content can be found in stores such as Planet M, Music World, Crossword, Landmark, and Reliance Retail. Approximately 1,300 of our titles are available through our nationwide network of distributors and dealers.



#### **4. Other Distribution Channels**

Our Company has taken Bollywood films across the globe through various distribution platforms due to the growing demand for Hindi film content amongst both ethnic and non-ethnic audiences abroad.

Our products and content are present not only in the traditional markets of US, UK, Singapore, Fiji, UAE and Australia, but also in the newly developed markets of East Europe and North Africa.

We also actively showcase our Content Library at international film festivals and content markets.

We have successfully distributed films like Bheja Fry 2, Phir Hera Pheri, Blue and Dhamaal internationally, amongst others.

We also license airborne rights of our content for in-flight entertainment to a number of airlines.

### **III. Miscellaneous Business Activities**

We have an in-house state-of-the-art digital post-production studio. Following are some of the key services provided:

#### **1. 4K Spirit: Telecine Transfer**

We have 4K spirit machine wherein we do all the various transfers from film negative or print to any form of the tape in high definition (“**HD**”) and standard definition (“**SD**”) format.

#### **2. Digital Scanning & Archiving**

We digitally scan the negatives in 2K/4K and archive in on LTO storage tapes. The scanning can be done from various types of negatives/prints. Even the audio is digitally captured through Sendor and archived.

#### **3. Digital Restoration**

We provide complete solution of digital restoration with revival. This includes repairing all the damages in the film and digitally archiving the same. With this, we are in the process of archiving the films and giving the film complete a new look and feel. Taking advantage of the growing technology, we are able to provide this solution for archiving.

#### **4. HD Real Time Restoration**

We have Archangel Ph.C-HD that provides high definition real time restoration. It rectifies the damages in the film like pinholes, dirt, flicker etc in real time. It supports standard definition as well as high definition.

#### **5. Digital Intermediate & Visual Effects**

We provide complete digital intermediate processing service to various producers and production houses. This includes film scanning, grading and film recording. We are capable of providing 3D animation/CGI, matte painting, compositing and finishing for commercials, music videos as well as short and feature films.

#### **6. HD and SD Video Post Production**

In the HD and SD post production we offer a complete solution. This involves various SD and HD conversions, transfers for deliveries on various SD and HD platforms. We also have the editing systems that support both SD and HD editing work along with audio.

#### **7. HD and SD Audio Post Production**

We have the best of audio handling facility with Protools HD and Nuendo work station with state-of-art mixing facility. We specialize in all types of audio restoration. We are capable of handling of all HD and SD audio work. The audio is corrected with various audio plug ins and is restored in various formats

#### **8. Blu Ray / DVD and VCD Authoring**

We do the Blu Ray, DVD and VCD authoring. We not only cater to in house requirements of our Company, but also do work for various home video players in India.

## 9. Format Conversion

We have an expert team working on various inter format conversions for SD and HD for various mobile and IPTV platforms. These even include various international platforms.

In our post production studio we have restored 383 films up to date.

## TECHNOLOGY

With our in-house post-production studio, our understanding of new and evolving formats, Network Attached Storage (“NAS”) and Storage Area Network (“SAN”) based large in-house content storage capacities, we leverage technology to digitize our content and make it ready for delivering and monetizing across various platforms/ mediums.

## HUMAN RESOURCE

We have strong focus on recruitment, training and retention of our employees. As of July 31, 2014, we had a total of 333 employees out of whom 312 were confirmed permanent employees and 21 were employees on probation. The functional breakup of the employees is that we have 78 employees on our sales, marketing and business development teams, 149 employees on our operational team, 45 employees on our technical team, and 61 employees in semi-skilled and unskilled roles. In addition, we have 111 consultants appointed on contract basis, of who 101 are to provide technical services and 10 are to provide operational and sales support.

Our employees are not unionized and we have never experienced any work stoppages. We believe that our employee relation is good.

## COMPETITION

At an overall level, our Company faces competition from large players in the films and television media segments. These include existing players and new entrants. On the films side, the large production/ distribution players include UTV, Yash Raj Films, EROS, and Reliance (ADAG) among others. While they all produce or acquire content, their focus has largely been on new films content including owning the theatrical rights. To that extent, we believe that we are not present in the theatrical distribution activity. At an activity level our Company faces competition from some players within the respective activity. Some of these players include Moser Baer, Hungama Digital, Super Cassettes Industries Limited among others.

We believe that our Company’s experience and understanding of the Indian film business positions us well to compete with new and existing players in the Indian media and entertainment sector.

## GOVERNMENT REGULATIONS

We are subject to various central, state and local laws affecting the operation of our business, including the Income Tax Act, 1961, state excise and sales taxes, certification from the Central Board of Film Certification and local municipalities laws. For further details, see “Risk Factors,” “Regulations and Policies” and “Government and Other Approvals” sections beginning on pages 15, 130 and 299 of this Prospectus, respectively.

## AWARDS

Years	Awards	Recipient
2013	The Indie Fest Award	Chanakya Speaks - The seven pillars for business success
2012	Dada Saheb Phalke Film Festival - Award for Best Animated feature film	Super K
2011	Infofriend South ICT awards - Best Content Provider	Shemaroo
2011	19 Awards - Various Awards - Various Categories	Ishqiya
2011	4 National Awards – Various Categories	Ishqiya
2008	National Film Award - Best Feature film in Bengali	Anuranan
2005, 2006, 2007 and 2009	26 Awards - DVD Entertainment India Summit	Various Titles
2009	2 Awards - The Golden Cursor Excellence in Animation Awards	Rhyme Time in Toyland and Ghatothkach: Eat On Before Dawn
2009	Li'L Star Awards - Best Animated Film and Best Animated Character	Bal Ganesh

<b>Years</b>	<b>Awards</b>	<b>Recipient</b>
2009	FICCI -BAF awards 2010 - special mention for releasing the only Animated film "Bal Ganesh 2" for the year 2009 and Shemaroo's "Outstanding Efforts and commitment to the Animation Industry"	Bal Ganesh 2
2007	MIAAC Award – Best Film	Manorama Six Feet Under

## **PROPERTY**

Our registered and corporate office, situated at Shemaroo House, Plot No.18, Marol Co-operative Industrial Estate, Off Andheri-Kurla Road, Andheri East, Mumbai – 400059 is under a long term lease of 99 years.

We also have an office in Delhi, which is primarily used as a distribution office.

The details of the property are as follows:

<b>Sr. No.</b>	<b>Location</b>	<b>Description of Property</b>	<b>Area</b>
1.	Mumbai	Number 302, Boolani Estate, Plot Number B-41, Link Road, Andheri (West), Mumbai 400 053.	562 sq. ft. (built up area)
2.	Mumbai	Shop Number 3 Ground Floor, Om Chambers, August Kranti Marg, Kemps Corner, Mumbai 400 036.	1,090 sq. ft. (built up area)
3.	Mumbai	Number 202, Boolani Estate, Plot Number B-41, Link Road, Andheri (West), Mumbai 400 053.	1,150 sq. ft. (built up area)
4.	Mumbai	Number 301, Boolani Estate, Plot Number B-41, Link Road, Andheri (West), Mumbai 400 053.	400 sq. ft. (built up area)
5.	Mumbai	Plot no. 16 and Compartment no. 50 situated at Marol Co-operative Industrial Estate, Off Andheri Kurla Road Andheri (East), Mumbai 400 059	11,886 sq. ft. (built up area),
6.	Mumbai	Plot no. 18 and Compartment no. 146 at Marol Co-Operative Industrial Estate, Off Andheri Kurla Road Andheri (East), Mumbai 400 059	11,000 sq. ft. (built up area),
7.	Mumbai	Office no. 411, 4 <sup>th</sup> Floor, Marol Bhavan, Marol Co-Op Industrial Estate Ltd., Andheri (East), Mumbai 400 059.	226 sq. ft. (built up area)

## **INSURANCE**

We have taken insurance to cover different risks which we believe is sufficient to cover all material risks to our operations and revenue. Our operations are subject to hazards inherent to the safe keeping of a physical inventory, such as risks relating to work accidents, fire, earthquake, burglary and transit. This includes hazards that may cause injury and loss of life, damage and destruction of property and equipment. Our Company has obtained private car package policies, two wheeler package policies, group personal accident policies, key man insurance policy, standard fire and special perils policy, all risk policies, standard plate glass policies and standard electronic equipments insurance policies. For further details in relation to risks associated with insurance policies of our Company, see “Risk Factors” section on pages 27 to 28 of this Prospectus.

## **INTELLECTUAL PROPERTY RIGHTS**

We have received certificates of registration of trademark bearing number under classes 41, 42, 40, 39, 38, 37, 36, 35, 34, 33, 32, 31, 30, 29, 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 14, 13, 11, 10, 08, 07, 06, 05, 04, 02, 03 and 01 for our brand “Shemaroo” held by our Company. We have also received registration certificates for other trademarks (see “Government and Other Approvals” section on pages 301 to 314 of this Prospectus).

## REGULATIONS AND POLICIES

*The following description is a summary of various sector-specific laws and regulations in India, which are applicable to our Company. The information below has been obtained from publications in the public domain. It may not be exhaustive, and is only intended to provide general information and is neither designed nor intended to substitute for professional legal advice.*

### **Notification of Industry Status**

The Indian film industry was conferred industry status by a press release issued by the Ministry of Information and Broadcasting, Government of India (“**GoI**”), on May 10, 1998.

### **Intellectual Property**

In India, trademarks and copyrights enjoy protection both statutory and under common law.

#### *Intellectual Property Laws*

**Trademarks:** A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor or user to use the mark. A mark may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The Trademarks Act, 1999, (“**Trademarks Act**”), governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. The registration of a trademark is valid for a period of 10 years but can be renewed in accordance with the specified procedure.

Until recently, a person desirous of obtaining registration of his trademark in other countries has to make separate applications in different languages and disburse different fees in the respective countries. However, the Madrid Protocol, administered by the International Bureau of the World Intellectual Property Organisation, (“**WIPO**”), of which India is a member country, aims to facilitate global registration of trademarks by enabling nationals of member countries to secure protection of trademarks by filing a single application with one fee and in one language in their country of origin. This in turn is transmitted to the other designated countries through the International Bureau of the WIPO. Accordingly, the Trademarks Act was amended vide the Trademarks (Amendment) Bill, 2009, to empower the Registrar of Trade Marks to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time for filing notice of opposition of published applications and provides for a uniform time limit of four months in all cases. Further, it simplifies the law relating to transfer of ownership of trademarks by assignment or transmission and brings the law generally in line with international practice.

**Copyrights:** A copyright is an exclusive right to do or authorisation to do certain acts in relation to literary, dramatic, musical and artistic work, cinematographic films and sound recordings. The Copyright Act, 1957, (“**Copyright Act**”), provides for registration of copyrights, transfer of ownership and licensing of copyrights, and infringement of copyrights and remedies available in that respect. Depending on the subject, copyright is granted for a certain period of time, usually for a period of 60 years, subsequent to which the work falls in the public domain and any act of reproduction of the work by any person other than the author would not amount to infringement. Software, both in source and object code, constitutes a literary work under Indian law and is afforded copyright protection. Following the issuance of the International Copyright Order, 1999, subject to certain conditions and exceptions, the provisions of the Copyright Act, 1957 apply to nationals of all member states of the World Trade Organisation, the Berne Convention and the Universal Copyright Convention.

While intellectual property registration is not a prerequisite for acquiring or enforcing such rights, registration creates a presumption favouring the ownership of the right by the registered owner. Registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The registration of certain types of intellectual property is prohibited, including where the property sought to be registered is not distinctive. The remedies available in the event of infringement under the Copyright Act and the Trademarks Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing materials to the owner of the right, as well as criminal remedies including imprisonment of the accused and the imposition of fines and seizure of infringing materials. The Copyright (Amendment) Act, 2012 which received assent of the President on June 7, 2012 has further amended the Copyright Act, 1957 so as to recognize the authors of literary, musical, dramatic and artistic works that have been incorporated in a cinematograph film as the owners of rights under the Copyright Act. The said amendment has modified the Copyright Act to protect the title and other information identifying the work or performance, the name or address of the owner of the rights, terms and conditions regarding the use of the rights etc., (defined as “rights management information” in the Copyright (Amendment) Act, 2012) by penalizing any person any person who knowingly removes or alters any rights management information without authority.

## **Cable Television Networks (Regulation) Act, 1995**

The Cable Television Networks (Regulation) Act, 1995, ("**Cable TV Act**"), mandates registration of cable operators according to the provisions of the said act. The Cable TV Act, amended pursuant to the Cable Television Networks (Regulation) Amendment Act, 2011, authorises the Central Government to make it obligatory for every cable operator to transmit or re-transmit programmes of any channel in an encrypted form through a digital addressable system. Pursuant to this amendment it is obligatory for every cable operator to publicise the prescribed information, including but not limited, to subscription rates, standards of quality of service and mechanism for redressal of subscribers' grievances in such manner and at such periodic intervals as may be specified by the Central Government or the Authority for the benefit of the subscriber.

## **The Prasar Bharati (Broadcasting Corporation of India) Act, 1990**

Pursuant to the enactment of the Prasar Bharati (Broadcasting Corporation of India) Act, 1990, the Prasar Bharati was set up as a statutory autonomous body on November 23, 1997. The Corporation is the public service broadcaster in India and the primary duty of Prasar Bharati is to organise and conduct public broadcasting to inform, educate and entertain the public and to ensure a balanced development of broadcasting on radio and television. Prasar Bharati is also empowered to manage on behalf of the Central Government the broadcasting of external services and monitoring of broadcasts made by organisations outside India.

Prasar Bharati has other objectives, some of which include upholding the unity and integrity of the country and the values enshrined in the Constitution of India, safeguarding the citizen's right to be informed freely, truthfully and objectively on all matters of public interest, national or international, and presenting a fair and balanced flow of information including contrasting views without advocating any opinion or ideology of its own, and providing comprehensive broadcast coverage through the choice of appropriate technology and the best utilisation of the broadcast frequencies available and ensuring high quality reception and expanding broadcasting facilities by establishing additional channels of transmission.

## **Film Certification**

The Cinematograph Act, 1952, ("**Cinematograph Act**"), authorizes the Central Government to constitute a Board of Film Certification, (also known as the "Central Board for Film Certification" or "**CBFC**"), in accordance with the Cinematograph (Certification) Rules, 1983, ("**Certification Rules**"), for sanctioning films for public exhibition in India. Under the Certification Rules, the producer of a film is required to apply in the specified format for certification of such film, with the prescribed fee. The film is examined by an examining committee, which determines whether, the film:

- is suitable for unrestricted public exhibition; or
- is suitable for unrestricted public exhibition, with a caution that the question as to whether any child below the age of 12 years may be allowed to see the film should be considered by the parents or guardian of such child; or
- is suitable for public exhibition restricted to adults; or
- is suitable for public exhibition restricted to members of any profession or any class of persons having regard to the nature, content and theme of the film; or
- is suitable for certification in terms of the above if a specified portion or portions be excised or modified therefrom; or
- is not suitable for unrestricted or restricted public exhibitions, i.e., that the film be refused a certificate. A film will not be certified for public exhibition if, in the opinion of the CBFC, the film or any part of it is against the interests of the sovereignty, integrity or security of India, friendly relations with foreign states, public order, decency or morality, or involves defamation or contempt of court or is likely to incite the commission of any offence.

Any applicant, if aggrieved by any order of the CBFC either refusing to grant a certificate or granting a certificate that restricts exhibition to certain persons only, may appeal to the Film Certification Appellate Tribunal constituted by the Central Government under the Cinematograph Act.

A certificate granted or an order refusing to grant a certificate in respect of any film is published in the Official Gazette of India and is valid for 10 years from the date of grant. Films certified for public exhibition may be re-examined by the CBFC if any complaint is received in respect of the same. Pursuant to grant of a certificate, film advertisements must indicate that the film has been certified for public exhibition.

The Central Government may issue directions to licensees of cinemas generally or to any licensee in particular for the purpose of regulating the exhibition of films, so that scientific films, films intended for educational purposes, films dealing with news and current events, documentary films or indigenous films secure an adequate opportunity of being exhibited. The Central Government, acting through local authorities, may order suspension of exhibition of a film, if it is of the opinion that any film

being publicly exhibited is likely to cause a breach of peace. Failure to comply with the Cinematograph Act may attract imprisonment and/or monetary fines.

Separately, the Cable Television Networks Rules, 1994, require that no film or film song, promo, trailer, of film music video, album or trailer, whether produced in India or abroad, shall be carried through cable services unless it has been certified by the CBFC as suitable for unrestricted public exhibition in India

The Cinematograph Film Rules, 1948, ("**Cinematograph Rules**"), require a license to be obtained prior to storing any film, unless specifically exempted. Licenses for storage of films are granted for one year and must be renewed annually. Any person transporting, storing or handling films is required to ensure compliance with requirements pertaining to, *inter alia*, precautions against fire, storage of loose films, minimum specifications for aisle space, exits and electrical installations in storage rooms etc. The Cinematograph Rules also specify the procedure for transport of film, and application for, or renewal, transfer, refusal and cancellation of, licenses.

## **Financing**

In October 2000, the Ministry of Finance, GoI, notified the film industry as an industrial concern in terms of the Industrial Development Bank of India Act, 1964, pursuant to which loans and advances to industrial concerns became available to the film industry.

The Reserve Bank of India, ("**RBI**"), by circular dated May 14, 2001, permitted commercial banks to finance up to 50.0% of total production cost of a film. Further, by an RBI circular dated June 8, 2002, bank financing is now available even where total film production cost exceeds ₹ 1,000.00 lakhs. Banks which finance film productions customarily require borrowers to assign the film intellectual property or music audio/video/CDs/digital versatile discs (DVDs)/internet, satellite, channel, export/International Rights as part of the security for the loan, such that the banks would have a right in negotiation of valuation of such intellectual property rights.

## **Labour Laws**

Depending on the nature of work and number of workers employed at any workplace, various labour related legislations may apply. Certain significant provisions of such labour related laws are provided below.

### ***Employees (Provident Fund and Miscellaneous Provisions) Act, 1952***

The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, applies to factories employing more than 20 employees and such other establishments and industrial undertakings as notified by the Government from time to time. It requires all such establishments to be registered with the relevant State Provident Fund Commissioner. Also, such employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance payable to employees. Employees are also required to make equal contribution to the fund. A monthly return is required to be submitted to the relevant State Provident Fund Commissioner in addition to the maintenance of registers by employers.

### ***Employees State Insurance Act, 1948***

Under the Employees State Insurance Act, 1948, ("**ESI Act**"), all establishments where 20 or more persons are employed are required to be registered with the Employees State Insurance Corporation. The ESI Act requires all employees of the factories and establishments to which it applies to be insured in the manner provided. Further, both employers and employees are required to make contribution to the ESI fund, of which returns are required to be filed with the ESI department.

In addition, under the provisions of local shops and establishments legislations applicable in the states in which commercial establishments are located, such establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, and other rights and obligations of the employers and employees. Such laws are enforced by the Chief Inspector of Shops and various inspectors under the supervision and control of the Labour Commissioner acting through the various District Deputy/Assistant Labour Commissioners.

## **Foreign Investment**

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act, 1999 and the rules, regulations and notifications thereunder, as issued by the Reserve Bank of India from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the FIPB is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, ("**FEMA Regulations**"), to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for foreign direct investment,

(“**FDI**”), under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was originally incorporated as a private limited company under the Companies Act, 1956, on December 23, 2005 with the name Shemaroo Holdings Private Limited. Subsequently, pursuant to a Scheme of Arrangement approved by the Hon'ble High Court of Bombay vide its order dated March 7, 2008 and by a special resolution of our shareholders dated May 28, 2008, the name of our Company was changed to Shemaroo Entertainment Private Limited and a fresh certificate of incorporation consequent to the change of name was granted on June 3, 2008 by the RoC. Thereafter, pursuant to a special resolution of our shareholders dated March 26, 2011, our Company was converted to a public limited company and a fresh certificate of incorporation consequent to the change of status was granted on April 1, 2011 by the RoC.

Pursuant to the Scheme of Arrangement, the whole of the entertainment business was transferred to our Company by the erstwhile Shemaroo Entertainment Private Limited, ("**Transferee Company**"), which subsequently inter-changed its name with our Company and resulted into Shemaroo Holdings Private Limited. Consequent to this interchanging of name our Company was named as Shemaroo Entertainment Private Limited. For details see the "Scheme of Arrangement" on page 136 to 137 of this Prospectus.

### Our Main Objects

The main objects of our Company as contained in our Memorandum of Association include:

1. To carry on business of manufacture, recording, reproducing, duplicating, processing and trading (including ecommerce trading through websites, cable or any other audio/video medium/format) of video cassettes, video grams, video disc, DVD, Laser Disc, compact disc or other audio/visual medium/formats and such other media, all types of films and features including Documentaries, Indian and Foreign dances, Indian or foreign feature films of places, of Tourist interest and Historical importance, Indian culture features such as festivals and the like, T.V. serials and similar objects for viewing on Television set and /or for viewing / exhibition cable, T.V. video parlours, internet, intranet and any other such place and trading and marketing the above all over the world for cash, non-cash consideration or barter system against services offered and/or supply of goods, rights and materials in which the company is engaged.
2. To carry on the business of distribution of video films of all types and of manufacturing, trading, sales and hire of video cassettes video games, video discs and/or Audio Video medium/formats and other such media and to purchase and sell, lease, assign/reassign, or commercial exploitation of audio visual (film and non-film) content rights across various mediums and transmission methods including but not limited to video / video on demand, satellite, cable / pay TV, pay per view, web, internet right, theatrical rights, negative rights in domestic as well as overseas market and all over the world
3. To carry on business of producing, co producing, presenting, distributing, exhibiting, importing, exporting of films, movies, documentaries, music videos, commercial advertisement, web based programming, short films, animation, promotion of films, serials, programmes, plays, trailers, blocks, posters, and publicity materials and to act as dealers, agents of such films, movies, serials, programmes and plays and to take part in any film festivals, award functions, (domestic or international), and to establish, maintain or take and provide on hire studio and other equipments for the production, performance, projection of films, movies, serials, programmes and plays and business of transfer related technical services (in-house and for outside parties) such as film to video transfer, editing in various formats, sound recording, dubbing editing, VCD / DVD/ Laser Disc/Compact Disc mastering, Non-linear editing, format transfer on VHS / DVD / VCD/ Laser Disc/Compact Disc/ Digi – Beta cam / Umatic / other digital / analog format, etc., VCD / DVD Laser Disc/Compact Disc recording and other post production processes.

The main object clause and objects incidental or ancillary to the main objects of the Memorandum of Association enables our Company to undertake its existing activities and the activities for which the funds are being raised by our Company through this Issue.

### Amendments to our Memorandum of Association

Since incorporation of our Company the following changes have been made to our Memorandum of Association:

Date of Amendment	Nature of alteration
December 3, 2007	The initial authorized share capital of our Company of ₹1,00,000 comprising of 1,000 equity shares of ₹100 each was subdivided from equity shares of ₹100 each to ₹10 each pursuant to a resolution of the shareholders of our Company
December 3, 2007	The authorized share capital was increased from ₹ 1,00,000 divided into 10,000 equity shares of ₹ 10 each to ₹50,00,000 divided into 5,00,000 equity shares of ₹10 each pursuant to a resolution of the shareholders of our Company



Date of Amendment	Nature of alteration
May 28, 2008	Change in the Objects Clause of our Company
May 28, 2008	The name of our Company was changed from Shemaroo Holdings Private Limited to Shemaroo Entertainment Private Limited.
December 20, 2010	The authorized capital was increased from ₹50,00,000 divided into 5,00,000 equity shares of ₹10 each to ₹10,00,00,000 comprising of 1,00,00,000 equity shares of ₹10 each pursuant to a resolution of the shareholders of our Company
March 26, 2011	Our Company was converted from a private limited company to a public limited company and consequently the name of our Company was changed from Shemaroo Entertainment Private Limited to Shemaroo Entertainment Limited.
July 11, 2011	The authorized capital was increased from ₹10,00,00,000 comprising of 1,00,00,000 equity shares of ₹10 each to ₹30,00,00,000 comprising of 3,00,00,000 equity shares of ₹10 each pursuant to a resolution of the shareholders of our Company.

### Total Number of Shareholders of our Company

As of the date of filing of this Prospectus, the total number of holders of Equity Shares is forty four. For more details on the shareholding of the members, see the section titled “Capital Structure” beginning on page 68 of this Prospectus.

### Changes in the Registered Office of our Company

The registered office of our Company was changed from 51 Usha Kiran, 15 M.L. Dahanukar Marg, Carmichael Road, Mumbai – 400026, India to Shemaroo House, Plot No. 18, Marol Cooperative Industrial Estate, Off. Andheri Kurla Road, Andheri East, Mumbai – 400059, India with effect from October 1, 2007, for administrative convenience and for expansion of business operations.

### Major Events, Milestones and Achievements

The table below sets forth some of the major events in the history of our Company:

Sr. No.	Year	Key Milestones and Achievements
<b>In relation to our Company</b>		
1.	December 23, 2005	Incorporated as a Private Limited Company with the name Shemaroo Holdings Private Limited
2.	2007	Commenced production of animated films
3.	February, 2008	Commenced content aggregation and distribution for MVAS platforms
4.	March 7, 2008	Acquired the entire entertainment division/business from the erstwhile Shemaroo Entertainment Private Limited (now Shemaroo Holdings Private Limited), (our Group Company) under the Scheme of Arrangement
5.	February, 2009	Commenced distributing content over the internet specifically to Google Inc’s Youtube.com
6.	July 8, 2009	Incorporated its wholly owned subsidiary Shemaroo Entertainment (UK) Private Limited
7.	September, 2009	Commenced providing content management solutions to IPTV platforms for British Telecom (UK’s South Asian service) for service called “Bolly&Beyond”.
8.	October, 2010	Invested in Vistaas Digital Media Private Limited
9.	November 5, 2010	Started managing content on video platform with the Tata DOCOMO 3G services going live.
10.	January, 2011	Achieved 600 number of Titles in the library for Perpetual Rights
11.	March 26, 2011	Our Company was converted to a public limited company
12.	April, 2011	Started managing content for Bharti Airtel Limited in connection with an interactive devotional service, namely “iDarshan” on their direct to home services
13.	October 31, 2012	Incorporated a wholly owned subsidiary named Shemaroo Films Private Limited.
<b>In relation to our Group Company Shemaroo Holdings Private Limited which transferred their entertainment business to us pursuant to a Scheme of Arrangement</b>		
1.	1987	Forayed into the home video distribution with incorporation of Shemaroo Video Private Limited
2.	1993	Forayed into broadcast syndication
3.	2001	Forayed into digital post production
4.	2003	Commenced overseas distribution of content

Sr. No.	Year	Key Milestones and Achievements
5.	March 15, 2007	Incorporated its wholly owned subsidiary Shemaroo Entertainment Inc. (US)
6.	2005	Forayed into production of films
<b>In relation to our Group</b>		
1.	October 29, 1962	Started operation as a books and magazines rental library
2.	October 12, 1979	Started operations as a video cassette rental library
3.	October 29, 2012	Completed 50 years of the Shemaroo Group of Companies.

#### *Time/cost overrun*

Our Company and our Subsidiaries may have experienced time and cost overrun in relation to some of the projects executed by them. For details of related risk, see the section titled “Risk Factors” on page 19 of this Prospectus.

#### *Changes in activities of our Company*

The main activity of our Company since incorporation was to hold intellectual property rights of the other group companies. Our operations started in year 2008 where pursuant to the Scheme of Arrangement, the entertainment business was acquired by our Company from one of our Group Companies.

#### *Capital raising (Equity/ Debt)*

Our equity issuances in the past and availing of debts as on March 31, 2014 have been provided in sections titled “Capital Structure” and “Financial Indebtedness” on pages 69 to 70 and 271 to 276 of this Prospectus, respectively. Further our Company has not undertaken any public offering of debt instruments since its inception.

### **Business and Management**

For details of our Company’s business, products, marketing, the description of its activities, products, market segment, the growth of our Company, standing of our Company with reference to the prominent competitors with reference to its services, see the section titled “Our Business” beginning on page 113 of this Prospectus.

For details of the management of our Company and its managerial competence, see the section titled “Our Management” beginning on page 142 of this Prospectus.

### **Injunctions or Restraining Order against our Company**

There are no injunctions or restraining order against our Company.

### **Scheme of Arrangement**

The Hon’ble High Court of Bombay, by its order dated March 7, 2008, approved the scheme of de-merger for the transfer and demerger of the whole entertainment business of the erstwhile Shemaroo Entertainment Private Limited (“**Transferor Company**”), currently our Group Company) to the erstwhile Shemaroo Holdings Private Limited (“**Transferee Company**”), currently the Issuer).

As per the Scheme of Arrangement, our Company by way of a demerger has acquired an undertaking engaged in the entertainment business, as a going concern, including all debts, liabilities, duties, obligations and provisions.

Pursuant to the Scheme and in accordance with the provisions of sections 391 to 394 and other relevant provisions of the Companies Act, 1956, all assets and properties, permits, quotas, rights entitlements, industrial and other licenses, tenders, approvals, all debts, duties, liabilities (including contingent liabilities), legal proceedings, all investments in Shemaroo Entertainment Inc. (USA), buildings, current assets, all deposits, photocopy machines, computers, appliances, furniture and fixtures, intellectual property, technical know-how, contracts, agreements, plant, powers of every nature except for investment in equity shares of Atlas Equifin Private Limited and bank balance with NKGSB Co-operative Bank Limited were transferred to and vested in and/or were deemed to be transferred to and vested in the Transferee Company on a going concern basis with effect from the appointed date.

As consideration for such transfer, the Transferee Company had issued and allotted equity shares of ₹ 10 each to the shareholders of the Transferor Company in the ratio of one equity shares of ₹ 10 each (credited as fully paid up) of the Transferee Company for every one Equity Shares held by the shareholders of the Transferor Company.

### *Interchanging of names*

Pursuant to the Scheme, there was an interchange of the names of the Transferor and the Transferee company i.e the name of the Transferee Company had been changed to Shemaroo Entertainment Private Limited which is currently the Issuer and the name of the Transferor Company was changed to Shemaroo Holdings Private Limited, currently our Group Company.

### *Reduction of Capital*

Pursuant to an order dated March 25, 2011, of the Hon'ble High Court of Bombay in the Company Scheme Petition bearing no 89 of 2011, there was a reduction in the capital reserve on demerger formed pursuant to the Scheme of Arrangement to the extent of ₹ 379,057,438. The said amount was further credited to the general reserve and the profit and loss account to the extent of ₹ 159,094,330 and ₹ 219,963,108 respectively against reduction in the capital reserve.

### **Share Purchase and Shareholders' Agreements**

1. Our Company entered into a Shareholders' Agreement dated January 25, 2011 with (i) Mr. Buddhichand Maroo, (ii) Mr. Jai Maroo, (iii) Mr. Hiren Gada, and (iv) our Promoters. This agreement was terminated by a Deed of Release and Termination dated August 8, 2011.

### **Other Material Agreement**

2. Share subscription, share purchase and shareholder's agreement dated October 30, 2010, ("**Shareholders' Agreement**"), amongst (i) Mr. Rajiv K. Sanghvi, Ms. Deepal R. Sanghvi, Ms. Alpa Kalpesh Patel, Mr. Pankaj Nandlal Vyas, Mr. Prayag Ashok Trivedi, Mr. Kalpesh Mansukhbhai Dhaduk and Mr. Darshit Kishor Jobaliya, (for the purpose of this section collectively referred to as "**Founders of Vistaas**"), (ii) Shemaroo Entertainment Private Limited, which was the erstwhile name of our Company ("**Investor**"), and (iii) Vistaas Digital Media Limited, ("**Vistaas**").

In accordance with the terms of the Shareholders' Agreement, the Founders of Vistaas sold 5000 equity shares (constituting 5.56% of the fully diluted paid up share capital of Vistaas as on October 30, 2010) (such equity shares, referred to as "**Sale Shares**"). Further, Vistaas has issued 40,000 new equity shares constituting 44.44% of the fully diluted paid up share capital of Vistaas as on October 30, 2010) (such equity shares, referred to as "**New Shares**"). Upon transfer of Sale Shares and issue of New Shares to the Investor, the Investor currently owns 50% of the equity share capital of Vistaas on a fully diluted basis.

The salient terms of the Shareholders' Agreement are summarised below:

**Board Composition:** Under the terms of the Shareholders' Agreement, the Investor has the right to appoint at least 50% of the total strength of the directors, ("**Investor Nominee Director**"), on the board of Vistaas which shall in any event not be less than one non-retiring director. Further, Mr. Hiren Gada and Mr. Jai Maroo shall be appointed on the board of directors of Vistaas and Mr. Hiren Gada has the right to be appointed as the Chairman of Vistaas.

**Affirmative/Consultative rights of the Investor:** As per the Shareholders' Agreement, consent from the Investor is required for certain matters including:

- (i) Opening or closing of bank accounts;
- (ii) Mergers, restructurings, arrangements involving any equity shares, amalgamations, consolidations and divestments of or by Vistaas;
- (iii) Voluntary commencement of winding up proceedings for insolvency or bankruptcy of Vistaas or inability on part of Vistaas to pay its debts or involuntary insolvency or bankruptcy of Vistaas;
- (iv) Acquisition of other businesses by way of purchase of shares, business transfer, asset purchase, etc.
- (v) Establishment of new entities, subsidiaries or operating companies or entering into any partnerships or joint ventures;  
Sale, transfer or other disposition of all or substantially all of Vistaas' assets or closure of the existing business and commencement of new business by Vistaas beyond the purview of the business plan;
- (vi) Amendments, changes or modifications to the constitutional documents of Vistaas;
- (vii) Any appointment, engagement, termination or increase in compensation of the directors, chief executive officer, chief operating officer, chief financial officer, chief technology officer, heads of departments, vice-presidents of Vistaas and other persons whose remuneration is more than ₹ 60 lakhs per annum;

- (viii) Any disposal, transfer, encumbrance or dealing with the intellectual property of Vistaas other than in the ordinary course of business;
- (ix) Availing of any long term debt or short term debt;
- (x) Declaration or any payment of any dividend or distribution of any profits or commissions to shareholder, employees or directors of Vistaas;
- (xi) Any distribution, license, service, tax, finance or other agreements or transactions, relating to Vistaas or its subsidiaries that involve a substantial payment of monies, goods, services or other considerations;
- (xii) Increase or decrease in the size of the board of directors of Vistaas;
- (xiii) Adoption or amendment to the employee stock option plan or similar plan or issue of options or rights under such plan by Vistaas;
- (xiv) Any decision with regard to the listing of Vistaas' shares;
- (xv) Any strategic, financial or other alliance with a third party which results in capital expenditure or investments by Vistaas of more than ₹ 50 lakhs or offer of certain exclusive rights to such third party;
- (xvi) Any material variation in the capital expenditure and operating expenditure of Vistaas;
- (xvii) Entering into or execution of any agreements, transactions, arrangements or related party transactions with the Founders of Vistaas, their respective family members, and/or any companies or entities they own or control
- (xviii) Approval of the financial statements or any business plan or annual plan of Vistaas and its subsidiaries;
- (xix) Change in legal status;
- (xx) Introduction of strategic or financial partners;
- (xxi) Change in the statutory auditors of Vistaas or its subsidiaries;
- (xxii) All matters for which special resolution is required under the Companies Act, 1956, provided these matters require unanimous approval of the board of directors.

**Right of First Offer ("ROFO"):** The Investor, ("ROFO Offering Party"), grants to the Founders of Vistaas ROFO to purchase all but not a portion of the shares of Vistaas that the Investor may propose to sell.

**Right of First Refusal ("ROFR"):** In the event, the Founders of Vistaas decide to transfer all or part of their shares to any third party post the lock in period of 5 years, the Founders of Vistaas shall first offer such shares to the Investor for purchase at the same price and terms as offered to the third party.

**Drag along Rights:** The Investor shall have a right to drag along the Founders of Vistaas and any other shareholders of Vistaas, ("**Dragged Shareholders**"), in a proposed sale of shares of Vistaas to a third party. The Investor has an option to exercise this right at any time on or after April 1, 2012, to require the Dragged Shareholders to transfer all or any portion of their shares held in Vistaas along with the shares of the Investor on the same terms as offered to the Investor by the third party. The Investor shall not offer the equity shares to a third party purchaser below the base price which is 8 times the annual EBIDTA, the Founders of Vistaas will have to offer the shares at the same price as that offered by the Investor. If the Founders of Vistaas get the higher offer for the proposed sale then the Investor shall have to sell the equity shares at such higher price.

**Tag along Rights:** If either the Investor or the Founders of Vistaas is a ROFO Offering Party then the non-ROFO Offering party shall have the right to require the ROFO Offering Party to ensure that the shares of the non-ROFO Offering party is acquired pro-rata at the same price by the acquirer to whom the ROFO Offering Party is selling its shares.

**Transfer Restrictions:** Further, as per the terms of the Shareholders' Agreement, the Investor and the Founders cannot sell, transfer, mortgage, deliver, agree to transfer, assign or in any manner alienate the possession and ownership of any of equity shares held by it or any of its rights attached to the shares of Vistaas as owned by them without obtaining the prior consent of the other party.

**Termination:** The Shareholders' Agreement shall terminate on the occurrence of any of the following, whichever is earlier:

- (i) The Investor may terminate this Shareholders' Agreement upon prior written notice if the Founders of Vistaas commit any breach of the terms of the Shareholders' Agreement.
- (ii) The Founders of Vistaas shall make good the damage caused by any breach within 15 days of notice.
- (iii) The Founders of Vistaas shall return the amount of consideration paid by the Investors to the Founders of Vistaas and Vistaas up to the date of issuance of termination notice along with interest at the rate of 18% per annum within 15 days of termination.
- (iv) Until the entire consideration along with the interest is not paid, the intellectual property obtained by the Investor under the agreement dated October 30, 2010 shall remain with the Investor and the Investor shall be entitled to exploit the same in any manner it may deem fit.

Pursuant to an option deed dated October 30, 2010, the Investor shall have the option to put the shares acquired by the Investor pursuant to the Shareholders' Agreement or call the shares of the Founders of Vistaas representing 50% of the fully paid up capital to or from the Founders of Vistaas at any time after one year from the issue date of such shares.

### Subsidiaries of our Company

Our Company has the following three Subsidiaries:

- (i) Shemaroo Entertainment Inc.;
- (ii) Shemaroo Entertainment (UK) Private Limited; and
- (iii) Shemaroo Films Private Limited

Our shareholding in our Subsidiaries is as follows:

Sr. No.	Subsidiary	Number of equity shares	Paid-up value per equity share	Percentage of shareholding (%)
1.	Shemaroo Entertainment Inc.	200	No par value	100
2.	Shemaroo Entertainment (UK) Private Limited	3,600	GBP 10	100
3.	Shemaroo Films Private Limited	10,00,000	₹ 10	100

#### 1. Shemaroo Entertainment Inc.

Shemaroo Entertainment Inc. was incorporated under the laws of New Jersey, USA on March 15, 2007. Its registered office is situated at 29 Meadow Bluff Road, Morris Plains, NJ 07950 and its corporate identification number is 20-8661149. The objects of this company include carrying on the business of movies distribution.

##### *Capital structure*

The share capital of this company is \$ 10,000 comprising of 200 equity shares of no par value.

##### *Board of directors*

The board of directors of Shemaroo Entertainment Inc. as on the date of this Prospectus comprises of:

- (i) Mr. Jai Maroo; and
- (ii) Mr. Hiren Gada

##### *Shareholding pattern*

The shareholding pattern of Shemaroo Entertainment Inc. as on date of this Prospectus is as follows:

Sr. No	Name of the Shareholder	No. of shares	Percentage of total equity holding
1.	Shemaroo Entertainment Limited	200	100
	<b>Total</b>	<b>200</b>	<b>100</b>

##### *Financial Information*

*Amount in ₹ in lakhs, except per share data*

Sr. No.	Particulars	March 31, 2014	March 31, 2013	March 31, 2012
1.	Sales and Other Income	-	0.17	25.95

Sr. No.		Particulars		
		March 31, 2014	March 31, 2013	March 31, 2012
2.	Profit/ (Loss) after tax	(1.70)	(1.17)	24.04
3.	Equity Capital	5.96	5.43	5.12
4.	Reserves and Surplus (excluding revaluation reserve)	(7.47)	(5.29)	(3.89)
5.	Earnings/ (Loss) per share (₹)	(849.27)	(583.42)	12,018.81
6.	Diluted earnings per share (₹)	(849.27)	(583.42)	12,018.81
7.	Net Asset Value Per Share (₹)	(753.79)	71.17	614.28

## 2. Shemaroo Entertainment (UK) Private Limited

Shemaroo Entertainment (UK) Private Limited was incorporated under the laws of England and Wales on July 8, 2009. Its registered office is situated at 3<sup>rd</sup> Floor, Paternoster House, 65 St. Pauls Churchyard, London, EC4M8AB, United Kingdom and its corporate identification number is 6955672. The objects of this company include carrying on the business of creation, aggregation and distribution of the content on various media platforms.

### Capital structure

The share capital of this company is £36,000 comprising 3,600 Equity Shares of £10/- each.

### Board of directors

The board of directors of Shemaroo Entertainment (UK) Private Limited as on date of this Prospectus comprises of:

- (i) Mr. Jai Maroo; and
- (ii) Mr. Hiren Gada

### Shareholding pattern

The shareholding pattern of Shemaroo Entertainment (UK) Private Limited as on date of this Prospectus is as follows:

Sr. No	Name of the Shareholder	Number of shares	Percentage of total equity holding
1.	Shemaroo Entertainment Limited	3600	100
	<b>Total</b>	<b>3600</b>	<b>100</b>

### Financial Information

Amount in ₹ in lakhs, except per share data

	Fiscal 2014	Fiscal 2013	Fiscal 2012
Sales and Other Income	71.89	147.09	132.54
Profit/ (Loss) after tax	(77.93)	0.87	15.66
Equity Capital	35.72	29.78	29.45
Reserves and Surplus (excluding revaluation reserve)	(123.26)	(36.49)	(36.90)
Earnings/ (Loss) per share (₹)	(2,164.78)	24.22	434.98
Diluted earnings per share (₹)	(2,164.78)	24.22	434.98
Net Asset Value per Share (₹)	(2,431.71)	(186.24)	(207.08)

## 3. Shemaroo Films Private Limited

Shemaroo Films Private Limited was incorporated on October 31, 2012. Its registered office is situated at Shemaroo House, Plot No. 18, Marol Co-operative Industrial Estate, off Andheri Kurla Road, Andheri East- Mumbai and its corporate identification number is U22130MH2012PTC237345. The objects of this company include carrying on the business of creation, aggregation and distribution of the content on various mediums like television, home video, mobile, IPTV, etc. across various markets within India and overseas and providing transfer related technical services.

### Capital structure

The share capital of this company is ₹ 100 lakhs comprising 10,00,000 Equity Shares of ₹ 10 each.

### Board of directors

The board of directors of Shemaroo Films Private Limited as on date of this Prospectus comprises of:

1. Raman Hirji Maroo;
2. Atul Hirji Maru;
3. Hiren Uday Gada; and
4. Jai Buddhichand Maroo

#### *Shareholding pattern*

The shareholding pattern of Shemaroo Films Private Limited as on date of this Prospectus is as follows:

Sr. No	Name of the Shareholder	Number of shares	Percentage of total equity holding
1.	Shemaroo Entertainment Limited	9,99,999	99.99
2.	Atul Hirji Maru (Nominee shareholder on behalf of Shemaroo Entertainment Limited)	1	0.01
	<b>Total</b>	10,00,000	100

#### *Financial Information*

*Amount in ₹ in lakhs, except per share data*

	Fiscal 2014	Fiscal 2013	Fiscal 2012
Sales and Other Income	-	-	-
Profit/ (Loss) after tax	(0.58)	(2.11)	-
Equity Capital	100	100	-
Reserves and Surplus (excluding revaluation reserve)	(2.69)	(2.11)	-
Earnings/ (Loss) per share (₹)	(0.06)	(0.21)	-
Diluted earnings per share (₹)	(0.06)	(0.21)	-
Net Asset Value Per Share (₹)	9.73	9.79	-

#### **Other agreements**

Except as disclosed in this section our Company does not have any other agreements apart from the agreements entered into in ordinary course of business.

#### **Strategic and Financial Partnerships**

Our Company acquired 50% stake in Vistaas Digital Media Private Limited in order to secure content for our New Media opportunities. For details, see Share subscription and Shareholders' Agreement on pages 137 to 139 of this Prospectus.

## OUR MANAGEMENT

Under the Articles of Association, our Company is required to have not less than three Directors and not more than 14 Directors. Our Company currently has ten Directors.

### Our Board

The following table sets forth details regarding our Board of Directors as on the date of this Prospectus:

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships
<b>Mr. Buddhichand Maroo</b>  <b>Designation:</b> Chairman  <b>Father's Name:</b> Mr. Hirji Devji Shah  <b>Date of Appointment:</b> May 26, 2008  <b>Term:</b> Retiring by rotation  <b>Occupation:</b> Philanthropist  <b>Address:</b> 14 <sup>th</sup> and 15 <sup>th</sup> Floor, Mount Pleasant, 586 A, Lady Jehangir Road, Five Gardens, Mumbai-400019  <b>DIN:</b> 00169319	74	Non-Executive Director	1. Shemaroo Holdings Private Limited
<b>Mr. Raman Maroo</b>  <b>Designation:</b> Managing Director  <b>Father's Name:</b> Mr. Hirji Devji Shah  <b>Date of Appointment:</b> December 23, 2005  <b>Term:</b> Re-appointed as managing director for a period of 5 years from January 1, 2011  <b>Occupation:</b> Business  <b>Address:</b> 21-22 A Woodlands, 67 Dr. G Deshmukh Marg, Mumbai- 400026  <b>DIN:</b> 00169152	63	Executive Director	1. Atlas Equifin Private. Limited;  2. Shemaroo Films Private Limited;  3. Mitoch Pharma Private Limited;  4. Novatech Finvest (India) Private Limited;  5. Orbit Corporation Limited;  6. Shemaroo Holdings Private Limited;  7. Namaste America - Indo American Association for Art and Culture;  8. Malabar Hill Club Limited;  9. Talwalkars Better Value Fitness Limited; and  10. Think Walnut Digital Private Limited.
<b>Mr. Atul Maru</b>  <b>Designation:</b> Joint Managing Director  <b>Father's Name:</b> Mr. Hirji Devji Shah	53	Executive Director	1. Think Walnut Digital Private Limited;  2. Shemaroo Films Private Limited;



Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships
<b>Date of Appointment:</b> December 23, 2005  <b>Term:</b> Re-appointed as Joint managing director for a period of 5 years from January 1, 2011  <b>Occupation:</b> Business  <b>Address:</b> 51, 25 <sup>th</sup> floor, Ushakiran, 15 M.L Dhanukar Marg, Mumbai- 400026  <b>DIN:</b> 00169264			3. Shemaroo Holdings Private Limited; and  4. Video Federation of India.
<b>Mr. Hiren Gada</b>  <b>Designation:</b> Wholetime Director & Chief Financial Officer  <b>Father's Name:</b> Mr. Uday Gada  <b>Date of Appointment:</b> May 26, 2008,  <b>Term:</b> Appointed as Whole-time Director for a period of 5 years from January 1, 2011 and as a Chief Financial Officer with effect from May 29, 2014.  <b>Occupation:</b> Business  <b>Address:</b> 1101, Shreenidhi, 76 Bhaudaji Road, Opposite Pioneer High School, Matunga, Mumbai- 400019  <b>DIN:</b> 01108194	44	Executive Director	1. Vistaas Digital Media Private Limited;  2. Shemaroo Films Private Limited;  3. Think Walnut Digital Private Limited; and  4. Kiron Servepreneures Private Limited.  <b>Foreign Companies:</b>  1. Shemaroo Entertainment (UK) Private Limited; and  2. Shemaroo Entertainment Inc.
<b>Mr. Jai Maroo</b>  <b>Designation:</b> Director  <b>Father's Name:</b> Mr. Buddhichand Maroo  <b>Date of Appointment:</b> May 26, 2008  <b>Term:</b> Retiring by rotation  <b>Occupation:</b> Business  <b>Address:</b> 50 Bayshore Road, #22-01, Bayshore Park, Singapore- 469 977, Singapore  <b>DIN:</b> 00169399	40	Non-Executive Director	1. Shemaroo Holdings Private Limited;  2. Shemaroo Films Private Limited; and  3. Think Walnut Digital Private Limited.  <b>Foreign Companies:</b>  1. Dyxlar (Singapore) Pte Limited;  2. Shemaroo Entertainment (UK) Private Limited; and  3. Shemaroo Entertainment Inc.
<b>Mr. Jayesh Parekh</b>  <b>Designation:</b> Director  <b>Father's Name:</b> Mr. Arvind Parekh  <b>Date of Appointment:</b> August 29, 2011  <b>Term:</b> Re-appointed as an Independent Director	59	Independent Director	1. Atlas Equifin Private Limited  <b>Foreign Companies:</b>  1. Apollo Televisions Pte Ltd.;  2. Jungle Ventures Pte Ltd.;  3. One Animation Pte Ltd.;

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships
for a period of 5 years from May 26, 2014  <b>Occupation:</b> Business  <b>Address:</b> 114A Arthur Road, #21-08, Singapore - 439 826, Singapore  <b>DIN:</b> 01353278			4. Apollo Television GmbH; 5. Aavishkaar India II Company Limited; 6. Picdot Pte Ltd.; and 7. Milaap Social Ventures Pte. Ltd.
<b>Mr. Gnanesh Gala</b>  <b>Designation:</b> Director  <b>Father's Name:</b> Mr. Dungarshi Gala  <b>Date of Appointment:</b> August 29, 2011  <b>Term:</b> Re-appointed as an Independent Director for a period of 5 years from May 26, 2014  <b>Occupation:</b> Business  <b>Address:</b> LAKHENI, 21 <sup>st</sup> Floor, K.M. Munshi Marg, Chowpatty, Mumbai 400 007  <b>DIN:</b> 00093008	51	Independent Director	1. PRI Holdings Private Limited; 2. eSense Learning Private Limited; 3. Alpha Buisness Consultants Private Limited; 4. K-12 Techno Service Private Limited; 5. Kutchi Angel Network Private Limited; 6. Deltecs Infotech Private Limited; and 7. Navneet Education Limited
<b>Mr. Vasanji Mamania</b>  <b>Designation:</b> Director  <b>Father's Name:</b> Mr. Asaria Mamania  <b>Date of Appointment:</b> August 29, 2011  <b>Term:</b> Re-appointed as an Independent Director for a period of 5 years from May 26, 2014  <b>Occupation:</b> Business  <b>Address:</b> R/o 301, Mangal Swagat, Off Perry Road, Bandra (W), Mumbai - 400050  <b>DIN:</b> 00013071	76	Independent director	1. Mamania Films Private Limited; 2. Adlabs Shringar Multiplex Cinemas Private Limited; and 3. Shivam Sundaram Developers and Realtors Private Limited.
<b>Mr. Shashidhar Sinha</b>  <b>Designation:</b> Director  <b>Father's Name:</b> Mr. Jamna Narain Sinha  <b>Date of Appointment:</b> August 29, 2011  <b>Term:</b> Re-appointed as an Independent Director for a period of 5 years from May 26, 2014  <b>Occupation:</b> Business  <b>Address:</b> 905, Bldg. No. 13, Indradarshan Phase II, Lokhandwala Complex, Andheri(W), Mumbai 400053	56	Independent Director	1. FCB-ULKA Advertising Private Limited; 2. Interface Communications Private Limited; 3. Audit Bureau of Circulations; 4. Jagran Prakashan Limited; 5. Mediabrands India Private Limited; 6. Reprise Media India Private Limited.

Name, Designation, Father's Name, Date of Appointment, Term, Occupation, Address, and DIN	Age (Years)	Status of Director in our Company	Other Directorships
<b>DIN:</b> 00953796			7. The Advertising Standards Council of India; 8. Cadreon India Private Limited; and 9. Interactive Avenues Private Limited.
<b>Mr. Kirit Gala</b> <b>Designation:</b> Director <b>Father's Name:</b> Mr. Vishanji Harshi Gala <b>Date of Appointment:</b> August 29, 2011 <b>Term:</b> Re-appointed as an Independent Director for a period of 5 years from May 26, 2014 <b>Occupation:</b> Business <b>Address:</b> 161/162-Dhanistha, Tarangan Complex, Shahid Mangal Pandey Road, Thane (W) -400606 <b>DIN:</b> 01540274	51	Independent Director	1. Gala Precision Engineering Private Limited; 2. Gala Springs Private Limited; 3. Kutchi Angel Networks Private Limited; 4. Deltecs Infotech Private Limited; and 5. Trans Retail Ventures Private Limited

### Brief Profiles

**Mr. Buddhichand Maroo**, aged 74 years, is the Chairman of our Company. He has completed his Intermediate studies from Mumbai. He is the co-founder of our Group and has been associated with our Group since 1962 and our Company since 2008. Mr. Buddhichand Maroo has approximately 52 years of business experience, out of which, he has been associated with the media and entertainment industry for approximately 31 years. He has been involved in the various aspects of the business over the last several years. Currently, he has retired from active business 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. He was not paid any remuneration in the last Fiscal Year.

**Mr. Raman Maroo**, aged 63 years, is the Managing Director of our Company. He has completed his higher secondary studies from Mumbai, post which he joined the Group. He has been associated with the Group since 1974 and our Company since Incorporation. Mr. Raman Maroo has approximately 40 years of business experience, out of which, he has been associated with the media and entertainment industry for approximately 31 years. He has been instrumental in our Group's expansion into television rights syndication as well as transformation of Shemaroo into a content house. He has led our Company's growth for many years. He has valuable relationships with various key players within the Indian entertainment industry, including film producers, television broadcasters, amongst others. He is a Director on the Board of several companies. He has received the 'Girnar Award' from Bruhad Mumbai Gujarati Samaj for outstanding contribution in the field of Entertainment in November 2000. He was a Director on the Board of Multi Screen Media Private Limited, the owners of Sony Entertainment Television network of television channels, since 1997. The remuneration paid to him for the last Fiscal Year was ₹42.11 lakhs.

**Mr. Atul Maru**, aged 53 years, is the Joint Managing Director of our Company. He has completed his higher secondary studies from Mumbai. He has been associated with our Group since 1979 and our Company since incorporation. Mr. Atul Maru has approximately 34 years of experience in the media and entertainment industry. He has been actively involved in the operations of the Company and has spearheaded various initiatives including the home video division of our Company. The remuneration paid to him for the last Fiscal Year was ₹ 42.11 lakhs.

**Mr. Hiren Gada**, aged 44 years, is the Whole Time Director and the Chief Financial Officer of our Company. He holds a masters degree in Management (Finance) from Welingkar Institute of Management (Mumbai University), Mumbai. He has received the 'Hall of Fame' Award from Welingkar Institute of Management in 2006. Mr. Hiren Gada has approximately 18 years of work experience, out of which, he has been associated with the Media and Entertainment Industry for the last 11 years. Prior to joining our Company he has headed the Investment research activities with an equity brokerage house. He has

been associated with our Group since 2003 and our Company since 2008. He has helped set up some of the newer business areas that the Company has entered into. He handles the Strategy and Finance functions in our Company. He is a regular speaker at various industry forums and is regularly quoted in media on several issues pertaining to the industry and the Company. The remuneration paid to him for the last Fiscal Year was ₹31.63 lakhs.

**Mr. Jai Maroo**, aged 40 years, is the Non-executive Director of our Company. He holds a Masters Degree in computer science and engineering from Pennsylvania State University, U.S.A and a graduate degree in computer engineering from the University of Mumbai. Mr. Jai Maroo has 4 years of experience as a software engineer and approximately 11 years of experience in the media and entertainment industry. He has worked with Citrix Systems Inc., U.S.A as a team leader. He is an NRI. Over the last few years, he has been active on the technology side. He is guiding the Company on digital distribution activities mainly on mobile and internet amongst others. He has been a speaker on several national and international forums on technology and media-related topics. He has been associated with our Group since 2002 and our Company since 2008. He was not paid any remuneration in the last Fiscal Year.

#### **Independent Directors:**

**Mr. Jayesh Parekh**, aged 59 years, is an independent director on the board of our Company. He holds a Bachelors Degree in Electrical Engineering from M S University in Baroda, India and Masters from University of Texas at Austin, USA. Mr. Jayesh Parekh has approximately 20 years of experience in the Media Industry. He is one of the founders of Sony Entertainment Television, India. He has worked with IBM for 12 years. He is a TiE charter member. He was not paid any remuneration in the last Fiscal Year.

**Mr. Gnanesh Gala**, aged 51 years is an independent director on the board of our Company. He graduated with a B.Com degree from the University of Bombay in 1982. Mr. Gnanesh Gala has approximately 31 years of experience in the Educational Publishing Industry. Mr. Gnanesh Gala was the President (Finance) of Navneet Education Limited for more than 21 years and has now been appointed as the Managing Director of the said company. He was not paid any remuneration in the last Fiscal Year.

**Mr. Vasanji Mamania** aged 76 years, is an independent director on the board of our Company. He holds a diploma in mechanical engineering from M.S. University, Baroda. He has over 52 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. He was not paid any remuneration in the last Fiscal Year.

**Mr. Shashidhar Sinha** Mr. Shashidhar Sinha, aged 56 years is an independent director on the board of our Company. He is a B.Tech from IIT Kanpur and is a post graduate from IIM Bangalore, India. He has over 29 years of experience in media and advertising. He is presently the CEO of Lodestar UM India, a Top Three company in this market. Lodestar UM India has over the years bagged several prestigious accounts like Tata Nano, ET Now and Land Rover, amongst others. He is actively involved and drives key industry bodies like the Advertising Standards Council of India, AAAs – Indian Broadcasting Federation joint body on industry practices, Audit Bureau of Circulation and the Joint Industry Body set up to monitor TV measurement and. Mr. Sinha has overseen his agency's recognition as a national "Agency of the Year" twice and "Runner Up" twice in the past five years. At the same time he has driven Lodestar Universal's expansion into the Digital, Retail and Film Entertainment areas which offer unique opportunities in this large and accelerating market. He was not paid any remuneration in the last Fiscal Year.

**Mr. Kirit Gala** aged 51 years is an independent director on the board of our Company. He has completed his Masters in Business Administration from Mumbai University in the year 1986 and his Mechanical Engineering from Mumbai University in the year 1984. He completed his doctoral research in marketing at Tennessee, U.S.A. in the year 1987. Mr. Gala is the Managing Director of Gala Precision Engineering Private Limited. He has approximately 24 years of business experience. He was not paid any remuneration in the last Fiscal Year.

#### **Relationships between our Directors**

Except for the following none of our other directors are related to each other:

<b>Name of the Director</b>	<b>Name of the other Director</b>	<b>Family Relation</b>
Mr. Buddhichand Maroo	Mr. Raman Maroo	Brother
Mr. Buddhichand Maroo	Mr. Atul Maru	Brother
Mr. Buddhichand Maroo	Mr. Jai Maroo	Father-Son
Mr. Raman Maroo	Mr. Atul Maru	Brother

## Directorships in companies suspended/delisted

None of our Directors hold directorships in listed companies whose shares have been/were suspended from trading on stock exchanges or delisted from the stock exchanges within a period of five years immediately preceding the date of this Prospectus.

## Current / Past Directorships in Companies delisted

Details of directorship of Mr. Gnanesh Gala in listed company which has been delisted from the stock exchanges are as follows:

<b>Name of the Company</b>	Navneet Education Limited
<b>Name of the Stock Exchange Currently Listed on</b>	National Stock Exchange of India Limited BSE Limited
<b>Date and Name of Stock Exchanges Delisted from</b>	Ahmedabad Stock Exchange – March 8, 2004 Saurashtra & Kutch Stock exchange – March 31, 2005
<b>Compulsory or Voluntary delisting</b>	Voluntary delisting from Ahmedabad Stock Exchange and Saurashtra & Kutch Stock Exchange
<b>Reasons for Delisting</b>	As there has been very low trading volume in Ahmedabad Stock Exchange and Saurashtra & Kutch Stock Exchange Limited and most of the Shares are being traded at the Stock Exchange, Mumbai and National Stock Exchange, who have nationwide trading terminals. The company has de-listed the equity shares from the Stock Exchanges
<b>Whether, relisted</b>	No.
<b>Term of the directorship along with the relevant dates of joining and resignation.</b>	Mr Gnanesh Gala was appointed as a director of Navneet Education Limited from March 14, 1986 to January 28, 2002. He has been appointed as the managing director of the said company with effect from May 30, 2013.

## Remuneration of our Directors:

### I. Remuneration of our Executive Directors:

#### A. Remuneration of our managing director, Mr. Raman Maroo:

Pursuant to an agreement dated January 25, 2011 which was approved by the Board by way of a resolution dated December 23, 2010 and by the shareholders in the extra-ordinary general meeting dated January 24, 2011, the following is the remuneration to be paid by our Company to Mr. Raman Maroo.

1. Salary (including Bonus) not exceeding ₹ 8,00,000/- (Rupees Eight Lakhs only) per month with an annual increment of upto 20 % over the previous year.
2. Perquisites:

Mr. Raman Maroo will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company's maintained car, telephone and any other allowances, benefits and perquisites as per the rules of our Company and /or which may become applicable in the future and/or any other allowance, benefits and perquisites as the Board may from time to time decide, the monetary value of such allowance, benefits and perquisites shall not exceed the Annual Salary drawn by him for that year.

3. Commission:

Up to 1% Commission on net profit of our Company, as calculated in accordance with the provisions of Section 349 of the Companies Act, 1956

4. Minimum Remuneration:

Our Company shall pay to Mr. Raman Maroo during the continuation of this Agreement, on recommendation of Board or Remuneration Committee as may be applicable, a minimum remuneration as the salary and perquisites, mentioned in Schedule XIII of the Act in the event of absence or inadequacy of profits in any financial year.

5. The salary and perquisites as mentioned above shall be exclusive of:

- (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
  - (b) Gratuity as per the rules of our Company.
  - (c) Leave as per the rules of our Company including encashment of leave at the end of the tenure.
6. Mr. Raman Maroo shall be entitled to re-imbursement of actual traveling, entertainment and other incidental expenses reasonably incurred by him in connection with the business of our Company.

**B. Remuneration of our joint managing director, Mr. Atul Maru**

Pursuant to an agreement dated January 25, 2011 which was approved by the Board by way of a resolution dated December 23, 2010 and by the shareholders in the extra-ordinary general meeting dated January 24, 2011, the following is the remuneration to be paid by our Company to Mr. Atul Maru.

1. Salary (including Bonus) not exceeding ₹ 7,50,000/- (Rupees Seven Lakhs and Fifty Thousand only) per month with an annual increment of upto 20 % over the previous year.

2. Perquisites:

Mr. Atul Maru will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company's maintained car, telephone and any other allowances, benefits and perquisites as per the rules of our Company and /or which may become applicable in the future and/or any other allowance, benefits and perquisites as the Board may from time to time decide, the monetary value of such allowance, benefits and perquisites shall not exceed the Annual Salary drawn by him for that year.

3. Commission:

Upto 1% commission on net profit of our Company, as calculated in accordance with the provisions of Section 349 of the Companies Act, 1956.

4. Minimum Remuneration:

Our Company shall pay to Mr. Atul Maru during the continuation of this Agreement, on recommendation of Board or Remuneration Committee as may be applicable, a minimum remuneration as the salary and perquisites, mentioned in Schedule XIII of the Act in the event of absence or inadequacy of profits in any financial year.

5. The salary and perquisites as mentioned above shall be exclusive of:

- (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.

- (b) Gratuity as per the rules of our Company.

- (c) Leave as per the rules of our Company including encashment of leave at the end of the tenure.

6. Mr. Atul Maru shall be entitled to re-imbursement of actual traveling, entertainment and other incidental expenses reasonably incurred by him in connection with the business of our Company.

**C. Details of remuneration of our whole time director, Mr. Hiren Gada:**

Pursuant to an agreement dated January 25, 2011 which was approved by the Board by way of a resolution dated December 23, 2010 and by the shareholders in the extra-ordinary general meeting dated January 24, 2011, the following is the remuneration to be paid by our Company to Mr. Hiren Gada.

1. Salary (including Bonus) not exceeding ₹ 7,00,000/- (Rupees Seven Lakhs only) per month with an annual increment of upto 20 % over the previous year.

2. Perquisites:

Mr. Hiren Gada will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company's maintained car, telephone and any other allowances, benefits and perquisites as per the Rules of our

Company and /or which may become applicable in the future and/or any other allowance, benefits and perquisites as the Board may from time to time decide, the monetary value of such allowance, benefits and perquisites shall not exceed the Annual Salary drawn by him for that year.

3. Commission:

Upto 1% Commission on net profit of our Company, as calculated in accordance with the provisions of Section 349 of the Companies Act, 1956.

4. Minimum Remuneration:

Our Company shall pay to Mr. Hiren Gada during the continuation of this Agreement, on recommendation of Board or Remuneration Committee as may be applicable, a minimum remuneration as the salary and perquisites, mentioned in Schedule XIII of the Act in the event of absence or inadequacy of profits in any financial year.

5. The salary and perquisites shall be exclusive of:

(a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.

(b) Gratuity as per the rules of our Company.

(c) Leave as per the rules of our Company including encashment of leave at the end of the tenure.

6. Mr. Hiren Gada shall be entitled to re-imbursement of actual traveling, entertainment and other incidental expenses reasonably incurred by him in connection with the business of our Company.

## II. Remuneration of our non-executive and independent Directors:

The non-executive and independent Directors are entitled to receive a sum not exceeding 1% per annum of the net profits of our Company calculated in accordance with the provisions of section 198, 349 and 350 of the Companies Act, 1956, in such amounts and proportions and in such a manner as may be directed by the Board. Such payments may be made in respect of the profits of our Company for each financial year for a period of five years commencing from April 1, 2011.

### Shareholding of Directors in our Company

Our Articles do not require our Directors to hold any qualification shares in our Company.

Except as set forth below, none of our Directors hold any Equity Shares:

Sr. No.	Name of shareholder	Number of Equity Shares held	Pre Issue Percentage	Post Issue Percentage
1.	Mr. Raman Maroo	4,809,520	24.23	17.69
2.	Mr. Atul Maru	4,809,520	24.23	17.69
3.	Mr. Buddhichand Maroo	3,575,320	18.01	13.15
4.	Mr. Hiren Gada	1,640,520	8.27	6.04
5.	Mr. Jai Maroo	1,234,200	6.22	4.54
6.	Mr. Jayesh Parekh	153,308	0.77	0.56
7.	Mr. Vasanji Manania	50,636	0.26	0.19
<b>Total</b>		<b>16,273,024</b>	<b>81.99</b>	<b>59.87</b>

### Shareholding of Directors in Subsidiaries and associate companies

Except for Mr. Atul Maru who holds 1 equity share of face value of ₹ 10 each of Shemaroo Films Private Limited (as a nominee shareholder on behalf of Shemaroo Entertainment Limited), aggregating to 0.01 % of the total paid up equity share capital of Shemaroo Films Private Limited, none of the Directors of our Company hold any shares in our Subsidiaries and associates.

### Appointment of relatives of Directors to any office or place of profit

Following relatives of our Directors hold an office or place of profit in our Company which has been approved by the Central Government:

Sr.	Name of Relative	Relation with Director	Nature of Office or Place of Profit	Date and Approval no.
1.	Smita Maroo	Wife of Mr. Jai Maroo and Daughter in Law of	Head(Animation division)	Vide SRN No. B08597601/2/2011 dated

Sr.	Name of Relative	Relation with Director	Nature of Office or Place of Profit	Date and Approval no.
		Mr. Buddhichand Maroo		May 31, 2011
2.	Madhuri Gada	Wife of Mr. Hiren Gada	Manager (Home video Division)	Vide SRN No. B08597627/2/2011 dated May 31, 2011
3.	Mansi Maroo	Daughter of Mr Raman Maroo	Co-Producer (Film division)	Vide SRN No. B08597577/2/2011 dated May 31, 2011
4.	Kranti Gada	Sister of Hiren Gada	Assistant Vice President (New media and technologies division)	Vide SRN No. B08597593/2/2011 dated May 31, 2011

#### **Arrangement or understanding with major shareholders, customers, suppliers or others**

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board.

#### **Service Contracts**

Except as described above, our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment of our Directors.

Furhter, except as disclosed in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

#### **Interest of Directors**

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them under our Articles, and to the extent of remuneration, if any, paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Further, Mr. Gnanesh Gala together with his relatives holds 8,809 equity shares constituting 17.62% of the paid up equity shareholding of Shaan Realtors Private Limited, a company which holds 1,01,272 Equity Shares constituting 0.51% of the pre-issue share capital of our Company.

Further, Mr. Jai Maroo is the sole beneficiary of a trust which holds the entire shareholding of Technology and Media Group PTE Ltd, a company which holds 1,822,840 Equity Shares constituting of 9.18% of the pre-issue paid up capital of our Company.

#### *Interest in promotion of our Company*

Except for Mr. Raman Maroo and Mr. Atul Maru who are also our Promoters, none of our Directors are interested in the promotion of our Company.

#### *Interest in the property of our Company*

None of the Directors have any interest in any property acquired within the two years from the date of this Prospectus or proposed to be acquired by our Company.

#### *Interest in the business of our Company*

Except as stated in the section titled “Financial Statements – Related Party Transactions” on pages 181 to 185 and 226 to 229 of this Prospectus and above, and to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

#### **Changes in our Board during the last three years**

Except for the following, there have been no other changes in our Board during the last three years:



Sr. No	Name of Director	Date of Appointment/Reappointment	Date of Cessation	Reason
1.	Mr. Jayesh Parekh	August 29, 2011	-	Appointment as an independent director
2.	Mr. Gnanesh Gala	August 29, 2011	-	Appointment as an independent director
3.	Mr. Vasanji Mamania	August 29, 2011	-	Appointment as an independent director
4.	Mr. Shashidhar Sinha	August 29, 2011	-	Appointment as an independent director
5.	Mr. Kirit Gala	August 29, 2011	-	Appointment as an independent director
6.	Mr. Jayesh Parekh	May 26, 2014	-	Re-appointment as an independent director under the Companies Act, 2013
7.	Mr. Gnanesh Gala	May 26, 2014	-	Re-appointment as an independent director under the Companies Act, 2013
8.	Mr. Vasanji Mamania	May 26, 2014	-	Re-appointment as an independent director under the Companies Act, 2013
9.	Mr. Shashidhar Sinha	May 26, 2014	-	Re-appointment as an independent director under the Companies Act, 2013
10.	Mr. Kirit Gala	May 26, 2014	-	Re-appointment as an independent director under the Companies Act, 2013

### Corporate Governance

The provisions of the Listing Agreements with respect to corporate governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with clause 49 of the Listing Agreements, particularly, in relation to appointment of independent Directors on our Board and constitution of the Audit Committee, the Stakeholders' Relationship Committee and the Nomination and Remuneration Committee. The Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of clause 49 of the Listing Agreements.

In terms of the clause 49 of the Listing Agreements, our Company has constituted the following committees:

1. Audit Committee;
2. Stakeholders' Relationship Committee; and
3. Nomination and Remuneration Committee.

Additionally, our Company has constituted the following committees:

1. Corporate Social Responsibility Committee;
2. IPO Committee; and
3. Executive Committee.

### Audit Committee

The audit committee was re-constituted by the Board at its meeting held on May 29, 2014, ("Audit Committee"). The Audit Committee comprises of the following members:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Gnanesh Gala	Chairman	Independent Director
2.	Mr. Kirit Gala	Member	Independent Director
3.	Mr. Hiren Gada	Member	Executive Director

#### **Scope and terms of reference:**

The Audit Committee performs the following functions with regard to accounts and financial management:

##### **I. The Powers of Audit Committee are as follows**

1. To investigate any activity within its term of reference or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

##### **II. The Audit Committee mandatorily reviews the following information:**

1. 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.

##### **III. The terms of reference of the audit committee are as follows:**

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. 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.

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. 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.
9. Approval or any subsequent modification of transactions of the company with related parties.
10. Scrutiny of inter-corporate loans and investments.
11. Valuation of undertakings or assets of the company, wherever it is necessary.
12. Evaluation of internal financial controls and risk management systems.
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
14. 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.
15. Discussion with internal auditors of any significant findings and follow up there on.
16. 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.
17. 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.
18. 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.
19. To review the functioning of the Whistle Blower mechanism / Vigil Mechanism.
20. 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.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### ***Stakeholders' Relationship Committee***

The investor grievance committee was re-constituted by the Board at its meeting held on May 29, 2014 and was re-named as the Stakeholders' Relationship Committee. The Stakeholders' Relationship Committee comprises of the following members:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Jayesh Parekh	Chairman	Independent Director
2.	Mr. Shashidhar Sinha	Member	Independent Director
3.	Mr. Atul Maru	Member	Executive Director

#### ***Scope and terms of reference:***

The Stakeholders' Relationship Committee carries out the following acts:

1. Investor relations and redressal of grievances of security holders of the company in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc.
2. Approve requests for security transfers and transmission and those pertaining to rematerialisation of securities / sub-division/ consolidation/ of shares, issue of renewed and duplicate share/debenture certificates etc.
3. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

### ***Nomination and Remuneration Committee***

The nomination and remuneration committee was re-constituted by the Board at its meeting held on May 29, 2014 and was re-named as the Nomination and Remuneration Committee. The Nomination and Remuneration Committee comprises of the following members:

<b>Sr. No</b>	<b>Name of the Member</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1.	Mr. Vasanji Mamania	Chairman	Independent Director
2.	Mr. Sashidhar Sinha	Member	Independent Director
3.	Mr. Jai Maroo	Member	Non-Executive Director

### ***Scope and terms of reference:***

The Nomination and Remuneration Committee exercises powers in relation to the matters listed below:

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

### ***Other Committees***

#### ***Corporate Social Responsibility Committee***

The corporate social responsibility committee was constituted by the Board at its meeting held on May 29, 2014. The corporate social responsibility committee comprises of the following members:

<b>Sr. No</b>	<b>Name of the Member</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1.	Mr. Atul Maru	Chairman	Executive Director
2.	Mr. Hiren Gada	Member	Executive Director
3.	Mr. Vasanji Mamania	Member	Independent Director

### ***Scope and terms of reference:***

The Corporate Social Responsibility Committee carries out the following acts:

1. to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. to recommend the amount of expenditure to be incurred on activities referred in the Corporate Social Responsibility Policy; and

3. to monitor the Corporate Social Responsibility Policy of the Company and its implementation from time to time.

#### ***IPO Committee***

The IPO committee was constituted by the Board at its meeting held on August 29, 2011, (“**IPO Committee**”). The IPO Committee comprises of the following members:

<b>Sr. No</b>	<b>Name of the Member</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1.	Mr. Raman Maroo	Chairman	Executive Director
2.	Mr. Atul Maru	Member	Executive Director
3.	Mr. Hiren Gada	Member	Executive Director
4.	Mr. Jai Maroo	Member	Non-Executive Director

#### ***Scope and terms of reference:***

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

- the IPO Committee has been constituted to decide the terms and conditions of the Issue, finalisation and filing of the Draft Red Herring Prospectus and the Red Herring Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required;
- handle all matter relating to appointment of intermediaries and advisors in relation to the IPO;
- deciding on allocation of the equity shares to specific categories of persons;
- opening of bank accounts, securities account, escrow or custodian accounts, submitting applications and seeking listing of Equity Shares with the Stock Exchanges;
- determining and finalising the price band, bid opening and closing date of this Issue, approving and finalising the ‘Basis of Allocation’;
- determining the price at which the Equity Shares are to be offered to the investors;
- settling difficulties and doubts arising in relation to the IPO;
- empowering the authorized officers to enter into and execute any agreements or arrangements in relation to the IPO; and
- carry out all acts and take all decisions as may be necessary for the purposes of the IPO and listing.

#### ***Executive Committee***

The Executive committee was re-empowered by the Board at its meeting held on May 29, 2014, (“**Executive Committee**”). The Executive Committee comprises of the following members:

<b>Sr. No</b>	<b>Name of the Member</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1.	Mr. Raman Maroo	Chairman	Executive Director
2.	Mr. Atul Maru	Member	Executive Director
3.	Mr. Hiren Gada	Member	Executive Director

#### ***Scope and terms of reference:***

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

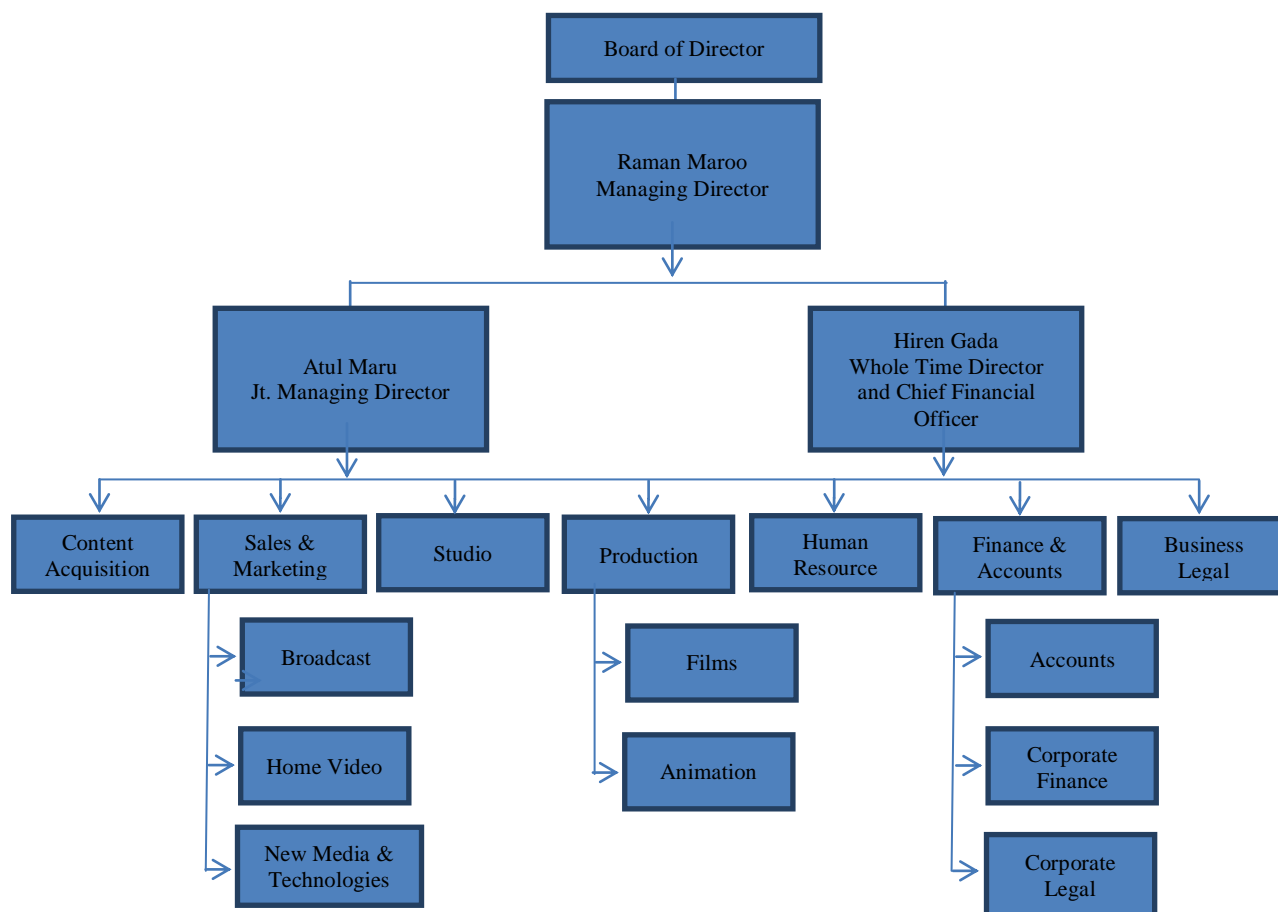
- To open and operate Bank Accounts.
- To authorize change in signatories.
- To give instructions relating to the transactions of our Company with the Banks.
- To give necessary instructions for closure of Bank Accounts.
- To issue / revalidate / cancel Powers of Attorney.
- To authorize persons to act on behalf of our 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 our Company upto a limit of ₹ 2500,00,000 (Rupees Two thousand five hundred lakhs only) 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 upto a limit of ₹ 25,000,00,000 (Rupees Twenty five thousand lakhs only).
- To accept the terms and conditions for availing the said financial assistance.
- To authorize execution of documents and affix the Common Seal of our Company, wherever necessary.
- To request Banks or Financial Institutions for disbursement of funds.
- To create security on the assets of our 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.

### **Borrowing powers of our Board**

In accordance with provisions of the Companies Act, 2013, and our Articles, our Board has been authorized through a special resolution passed by our shareholders at the EGM dated May 26, 2014 to borrow from time to time, all such sums of money for the purposes of the business of our Company in excess of the aggregate of the paid up capital of our Company and its free reserves, as the Board may in its discretion think fit, provided that the money or monies to be so borrowed together with the sums already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business), shall not exceed ₹ 50,000 lakhs.

## Management Organisation Structure



### Key Managerial Personnel

In addition to our executive Directors, whose details have been provided under “Brief profile of our Directors”, the details of our other Key Managerial Personnel are as follows:

**Mr. Vinod Karani**, aged 52, is the vice-president of the broadcast syndication and content acquisition division of our Company. Mr. Vinod Karani has approximately 29 years of experience in the industry and during his tenure till date, created a sizeable perpetual rights library. He has been associated with our Group since 1985 and our Company since April 1, 2007. The remuneration paid to him for the last Fiscal Year was ₹ 29.95 lakhs.

**Mr. Hemant Karani**, aged 49, is the vice-president of the studio division our Company. He holds a graduate degree in commerce from Osmania University, Hyderabad and has completed a technical grading course from Da Vinci Academy, Florida USA. Mr. Hemant Karani has approximately 24 years of experience in the entertainment and media industry. He has been associated with our Group since 1990 and our Company since April 1, 2007. The remuneration paid to him for the last Fiscal Year was ₹ 24.03 lakhs.

**Mr. Bipin Dharod**, aged 54, is the national head for marketing and sales of the home video division of our Company. He holds a graduate degree in commerce from the University of Mumbai. Mr. Bipin Dharod has approximately 31 years of experience in the entertainment and media industry. He has been associated with our Group since 1983 and our Company since April 1, 2007. The remuneration paid to him for the last Fiscal Year was ₹18.12 lakhs.

**Mr. Ketan Maru**, aged 48, is the head of the film production division of our Company. He holds a graduate degree in commerce from R.A. Poddar College of Commerce and Economics. Mr. Ketan Maru has approximately 28 years of experience in the entertainment industry. Prior to joining our Company he has worked in Shemaroo Book and VHS rental business. He has been associated with our Group since 1986 and our Company since April 1, 2007. The remuneration paid to him for the last Fiscal Year was ₹22.07 lakhs.

**Ms. Smita Maroo**, aged 40, is the head of the animation division of our Company and producer of multiple films. She holds a masters degree in management studies (finance) from University of Mumbai and masters degree in management information systems from Nova South-eastern University, U.S.A. Ms. Smita Maroo has approximately 11 years of experience in the

entertainment and media industry. She has been associated with our Group since 2003 and our Company since April 1, 2007. The remuneration paid to her for the last Fiscal Year was ₹29.42 lakhs.

**Mr. Harakhchand Gada**, aged 54, is head of accounts division of our Company. He has completed his HSC from Mumbai. Mr. Harakhchand Gada has approximately 27 years of experience in this industry. He has been associated with Shemaroo group since 1987 and our Company since April 1, 2007. The remuneration paid to him for the last Fiscal Year was ₹16.95 lakhs.

**Ms. Mansi Maroo**, aged 35, is the co-producer in the film division of our Company. She holds a bachelor's degree in science from Ithaca College, New York, U.S.A. Ms. Mansi Maroo has approximately 9 years of experience in the entertainment and media industry. She has been associated with our Company since 2005. The remuneration paid to her for the last Fiscal Year was ₹ 4.48 lakhs.

**Ms. Kranti Gada**, aged 33, is an assistant vice president in New Media and technologies division of our Company. She holds a masters degree in management studies from Mumbai University. Ms. Kranti Gada has more than 8 years of work experience. Prior to joining our Company she has worked in Pepsico India Holdings Private Limited as Asst. Brand Manager - Kurkure. She has been associated with our Company since 2006. The remuneration paid to her for the last Fiscal Year was ₹7.47 lakhs.

#### Relationships between Key Managerial Personnel

The following Key Managerial Personnel are related to each other:

Name of the Key Managerial Personnel	Name of the other Key Managerial Personnel/Director	Family Relation
Mr. Vinod Karani	Mr. Hemant Karani	Brother
Ms. Smita Maroo	Mr. Jai Maroo	Wife
Ms. Smita Maroo	Mr. Buddhichand Maroo	Daughter-in law
Ms. Kranti Gada	Mr. Hiren Gada	Sister
Ms. Mansi Maroo	Mr. Raman Maroo	Daughter

#### Details of service contracts of our Key Managerial Personnel

Except for the appointment letters, our Key Managerial Personnel have not entered into any other contractual arrangements with our Company. Further, all our Key Managerial Personnel mentioned above are officers of our Company vested with executive powers and function at a level immediately below the Board.

#### Interest of Key Managerial Personnel

Except as disclosed below, none of our Key Managerial Personnel have any interest in our Company and/or our Subsidiaries other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company and/or our Subsidiaries.

#### Shareholding of our Key Managerial Personnel in our Company

Other than the Equity Shares held by our Directors, the following are the details of the shares held by our Key Managerial Personnel in our Company:

Sr. No.	Name of shareholder	Number of Equity Shares held	Pre Issue Percentage	Post Issue Percentage
1.	Mr. Hemant Karani	65,640	0.33	0.24
2.	Mr. Ketan Maru	82,040	0.41	0.30
3.	Mr. Vinod Karani	114,840	0.58	0.42
4.	Mr. Harakhchand Gada	32,840	0.17	0.12
5.	Mr. Bipin Dharod	41,040	0.21	0.15
<b>Total</b>		<b>336,400</b>	<b>1.69</b>	<b>1.24</b>

#### Changes in our Key Managerial Personnel

There have been no changes in our Key Managerial Personnel during the last three years.

#### Bonus or profit sharing plan for our Key Managerial Personnel

There is no bonus or profit sharing plan for our Key Managerial Personnel.



**Scheme of employee stock option or employee stock purchase**

There are no employee stock options or purchase schemes

**Payment of benefit to officers of our Company (non-salary related)**

No amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

**Loans taken by Directors / Key Managerial Personnel**

For details of the loan taken by the Directors and the Key Managerial Personnel, see the section titled "Financial Information" beginning on page 170 of this Prospectus.

**Arrangements and understanding with major shareholders**

None of our Directors or Key Managerial Personnel have been appointed as a director or member of senior management pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

## OUR PROMOTERS AND GROUP COMPANIES

### Promoters


#### Individuals

The following individuals are the Promoters of our Company:

1. Mr. Raman Maroo; and
2. Mr. Atul Maru.

The details of our Promoters are provided below:

1. Mr. Raman Maroo

	Passport Number	F7802668
	Voter ID Number	MT/04/024/060447
	Driving License Number	MH01 20090002751


**Mr. Raman Maroo**, aged 63 years, is the managing director of our Company. He has completed his higher secondary studies from Mumbai, post which he joined the Group. He has been associated with the Group since 1974 and our Company since Incorporation. Mr. Raman Maroo has approximately 40 years of business experience, out of which, he has been associated with the media and entertainment industry for approximately 31 years. He has been instrumental in our Group's expansion into television rights syndication as well as transformation of Shemaroo into a content house. He has led our Company's growth for many years. He has valuable relationships with various key players within the Indian entertainment industry, including film producers, television broadcasters, amongst others. He is a Director on the Board of several companies. He has received the 'Girnar Award' from Bruhad Mumbai Gujarati Samaj for outstanding contribution in the field of Entertainment in November 2000. He was a Director on the Board of Multi Screen Media Private Limited, the owners of Sony Entertainment Television network of television channels, since 1997. The remuneration paid to him for the last Fiscal Year was ₹ 42.11 lakhs.

His other directorships are as follows:

Sr. No.	Other Directorships
<b>Indian Companies</b>	
1.	Atlas Equifin Private. Limited;
2.	Mitoch Pharma Private Limited;
3.	Novatech Finvest (India) Private Limited;
4.	Orbit Corporation Limited;
5.	Shemaroo Holdings Private Limited;
6.	Namaste America - Indo American Association for Art and Culture;
7.	Malabar Hill Club Limited;
8.	Talwalkars Better Value Fitness Limited;
9.	Think Walnut Digital Private Limited; and
10.	Shemaroo Films Private Limited

For further details relating to Mr. Raman Maroo, including personal addresses, terms of appointment as our Director and other directorships, see the section titled "Our Management" on page 142, 147 and 148 of this Prospectus.

## 2. Mr. Atul Maru

	Passport Number	F5878898
	Voter ID Number	JRW096065
	Driving License Number	MH0120080004993

**Mr. Atul Maru**, aged 53 years, is the joint managing director of our Company. He has completed his higher secondary studies from Mumbai. He has been associated with our Group since 1979 and our Company since incorporation. Mr. Atul Maru has approximately 34 years of experience in the media and entertainment industry. He has been actively involved in the operations of our Company and has spearheaded various initiatives including the home video division of our Company. The remuneration paid to him for the last Fiscal Year was ₹ 42.11 lakhs.

Sr. No.	Other Directorships
1.	Shemaroo Holdings Private Limited
2.	Think Walnut Digital Private Limited
3.	Video Federation of India (Section 25 Company)
4.	Shemaroo Films Private Limited

For further details relating to Mr. Atul Maru, including personal addresses, terms of appointment as our Director and other directorships, see the section titled “Our Management” on pages 142, 143 and 148 of this Prospectus.

We confirm that the details of the PAN, bank account numbers and passport numbers of our Promoters have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with them.

### Interest of the Promoters

#### *Interest in promotion of our Company*

Our Company was incorporated by Mr. Raman Maroo and Mr. Atul Maru. For this purpose, they had subscribed to our Memorandum of Association and to the initial issue of our Equity Shares.

#### *Interest in the property of our Company*

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Prospectus.

#### *Interest as member of our Company*

Each of our Promoters hold Equity Shares in our Company and are therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of their shareholding in our Company and benefits provided to them, as given in the section titled “Capital Structure” and “Our Management” on pages 70 to 74 and 149 of this Prospectus, respectively, they hold no other interest in our Company.

#### *Interest as Director of our Company*

Please see the section titled “Our Management – Interest of Directors” on page 150 of this Prospectus.

### Payment of benefits to our Promoters during the last two years

Except as stated in the section titled “Financial Statements - Related Party Transactions” on pages 181 to 185 and 226 to 229 of this Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of filing of this Prospectus.

## Confirmations by the Promoters

Except as stated below, none of our Company, our Subsidiaries, our Directors, our Promoters, relatives of Promoters, our Promoter Group, and our Group Companies have been declared as wilful defaulters by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them:

Mr. Raman Maroo, our Promoter, is an independent director on the board of Orbit Corporation Limited, a public limited company, (“**Orbit**”), since May 21, 2007. Orbit as well as Mr. Raman Maroo, in his capacity of an independent director of Orbit have been included in the list of wilful defaulters’ of the Reserve Bank of India for the year ended March 31, 2012. Orbit is neither a Promoter nor part of the Promoter Group, Group Companies or Affiliates of our Company.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Prospectus against our Promoters, except as disclosed under the section titled “Outstanding Litigation and Material Developments” on page 294 of this Prospectus.

## Shareholding of Promoter Group in our Company

For details of the shareholding of the Promoter Group, see the section titled “Capital Structure” on page 74 of this Prospectus.

## Related party transactions

Except as disclosed in the section “Financial Information - Related Party Transactions” on pages 181 to 185 and 226 to 229 of this Prospectus, our Company has not entered into any related party transactions with the Promoters or Group Companies and entities.

## Promoter Group

### *Promoter Group Individuals*

In addition to our Promoters, the following individuals form a part of the Promoter Group.

### *Relatives of Mr. Raman Maroo*

Relation with Mr. Raman Maroo	Name of Individual
Brother	Mr. Buddhichand Maroo Mr. Atul Maru
Sister	Ms. Rekha Uday Gada
Spouse	Ms. Kastur Raman Maroo
Children	Ms. Mansi Raman Maroo, Ms. Radhika Nitin Dewan
Spouse’s Father	Mr. Khetshi Dedhia
Spouse’s Mother	Ms. Jakhiben Dedhia

### *Relatives of Mr. Atul Maru*

Relation with Mr. Atul Maru	Name of Individual
Brother	Mr. Buddhichand Maroo Mr. Raman Maroo
Sister	Ms. Rekha Uday Gada
Spouse	Ms. Sangita Atul Maru
Children	Ms. Nirvi Atul Maru, Ms. Urvi Atul Maru
Spouse’s Father	Mr. Praful Sanghvi
Spouse’s Mother	Ms. Niru Sanghvi
Spouse’s Sister	Ms. Anita Vora

Apart from the abovementioned individuals, in terms of Regulation 2(1)(zb)(v) of the SEBI Regulations, the following individuals form a part of our Promoter Group, being persons whose shareholding has been aggregated for the purpose of disclosing in this Prospectus under the heading “shareholding of promoter group”:

1. Mr. Hiren Gada; and
2. Mr. Jai Maroo.

## Promoter Group Entities

The companies and other entities which form a part of our Promoter Group, are as follows:

### *Indian Companies*

Sr. No.	Name of Company
1.	Shemaroo Holdings Private Limited
2.	Think Walnut Digital Private Limited
3.	Novatech Finvest (India) Private Limited
4.	Atlas Equifin Private Limited

### *Foreign Companies:*

1. Technology and Media Group PTE Limited

### *Partnership Firms/HUFs*

Sr. No.	Name of Firm/HUF
1.	M/s Shemaroo Corporation (Partnership Firm)
2.	Banyan Tree Living and Life Style LLP
3.	Tasmai Properties LLP
4.	Taurean Estate Development LLP
5.	Raman Hirji Maroo (HUF)
6.	Atul Maroo (HUF)
7.	Buddhichand H. Maroo (HUF)
8.	Hirji Devji Shah (HUF)

## Group Companies and entities

Besides our Company, the following are the companies, firms, ventures and other entities promoted by our Promoters:

### *Indian Companies*

Sr. No.	Name of Company
1.	Shemaroo Holdings Private Limited
2.	Think Walnut Digital Private Limited

### *Ventures/Partnership Firms/HUFs*

Sr. No.	Name of Firm/HUF
1.	M/s Shemaroo Corporation (Partnership Firm)
2.	Banyan Tree Living and Life Style LLP
3.	Tasmai Properties LLP
4.	Raman Hirji Maroo (HUF)
5.	Atul Maroo (HUF)

No equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

The details of our Group Companies and Entities are as follows:

### **1. Shemaroo Holdings Private Limited ("SHPL")**

SHPL was incorporated under the Companies Act, 1956, incorporated on March 30, 1987 as a private limited company by the name of Shemaroo Video Private Limited. The registered office of the company is situated at Shemaroo House, Plot No. 18, Marol Co-operative Industrial Estate, Saugbaug, Marol Naka, Mumbai- 400059. The object of this company is to carry on the business of holding brands, trademarks and other intellectual property rights of group companies and to acquire from time to time and to invest in and deal in patents, trademarks etc.

### *Shareholding pattern*

Set forth below is the shareholding pattern of SHPL as on the date of filing of this Prospectus:

Name of shareholder	Number of equity shares	Percentage of issued capital
Mr. Jai Maroo	30,000	8.55
Mr. Raman Maroo	1,16,905	33.33
Mr. Atul Maru	1,16,905	33.33
Mr. Buddhichand Maroo	86,905	24.78
<b>Total</b>	<b>3,50,714</b>	<b>100</b>

#### *Board of directors*

The board of directors of SHPL as on the date of filing of this Prospectus comprises:

1. Mr. Jai Maroo;
2. Mr. Raman Maroo;
3. Mr. Atul Maru; and
4. Mr. Buddhichand Maroo

#### *Financial Performance*

The audited financial results of the company for the last three Fiscals are as follows:

<i>(₹ in lakhs, except per share data)</i>			
Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
<b>Sales and Other Income</b>	138.52	5537.60	0.00
<b>Profit/ (Loss) after tax</b>	130.64	5537.24	(0.29)
<b>Equity Capital</b>	35.07	35.07	35.07
<b>Reserves and Surplus (excluding revaluation reserve)</b>	5667.03	5536.39	(0.85)
<b>Earnings/ (Loss) per share (₹)</b>	37.25	1578.85	(0.08)
<b>Diluted earnings per share (₹)</b>	37.25	1578.85	(0.08)
<b>Net Asset Value per Share (₹)</b>	1,625.85	1588.60	9.76

#### *Changes in capital structure*

There have been no changes in the capital structure of SHPL in the preceding six months. It is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, is not under winding up and does not have a negative net worth.

#### *Significant notes of auditors*

There are no qualifications provided by the auditors.

## **2. Think Walnut Digital Private Limited (“TWDPL”)**

TWDPL was incorporated under the Companies Act, 1956, on May 18, 2009, as a private limited company. The registered office of the company is situated at 11, New Surya Kiran Building, Behind Tejpal Hall, Gowalia Tank, Grant Road, Mumbai 400 036, Maharashtra. The object of this company is to provide data services including mobile (wired and wireless telephony), internet data services amongst others.

#### *Shareholding pattern*

Set forth below is the shareholding pattern of TWDPL as on the date of filing of this Prospectus:

Name of shareholder	Number of equity shares	Percentage of issued capital
Mr. Raman Maroo	3,000	30.00
Mr. Atul Maru	3,000	30.00
Mr. Jai Maroo	3,000	30.00
Mr. Hiren Gada	1,000	10.00
<b>Total</b>	<b>10,000</b>	<b>100.00</b>

#### *Board of directors*

The board of directors of TWDPL as on the date of filing of this Prospectus comprises:

1. Mr. Raman Maroo;
2. Mr. Atul Maru;

3. Mr. Jai Maroo; and
4. Mr. Hiren Gada.

#### *Financial Performance*

The audited financial results of the company for the last three Fiscals Years for which audit has been completed are as follows:

*(₹ in lakhs, except per share data)*

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Sales and Other Income	182.71	65.13	31.50
Profit/ (Loss) after tax	(19.27)	(130.15)	(74.62)
Equity Capital	1.00	1.00	1.00
Reserves and Surplus (excluding revaluation reserve)	(223.92)	(204.65)	(74.50)
Earnings/ (Loss) per share (₹)	(192.69)	(1,301.50)	(746.18)
Diluted earnings per share (₹)	(192.69)	(1,301.50)	(746.18)
Net Asset Value per Share (₹)	(2,571.17)	(2,491.01)	(1,302.94)

There have been no changes in the capital structure of TWDPL in the preceding six months. It is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of the SICA, it is not under winding up. It has negative net worth.

#### *Significant notes of auditors*

There are no qualifications provided by the auditors.

### **Other Entities**

#### **1. Shemaroo Corporation (Partnership Firm)**

It was formed on December 1, 1978 as Shemaroo (Petit Hall). It was subsequently reconstituted on April 8, 2010 and was named thereafter as Shemaroo Corporation. The office of the firm is situated at 5, Rajat Apartments, Mt. Pleasant Road, Nepeansea Road, Mumbai – 400 006.

The name of the Partners along with their profit sharing ratio as follows:

Sr.No.	Name of the Partners	Percentage Profit Sharing
1.	Buddhichand Maroo (HUF)	20
2.	Raman Hirji Maroo (HUF)	20
3.	Mr. Atul Maru	20
4.	Ms. Leelaben Maroo	13
5.	Ms. Kastur Maroo	13
6.	Ms. Sangeeta Maru	14
	<b>Total</b>	<b>100</b>

#### *Financial Performance*

The audited financial results of the Shemaroo Corporation (for the last three Fiscals) are as follows:

*(₹ in lakhs, except per share data)*

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Sales and Other Income	200.21	246.83	208.45
Profit/ (Loss) after tax	(3.63)	46.47	16.89
Partners' Capital	174.80	164.29	106.50

#### **2. Banyan Tree Living and Life Style LLP, ("BTLLS")**

It was incorporated as a private limited company and subsequently converted to a limited liability partnership on August 8, 2012, The registered office of the firm is situated at N-450, Tarapore Towers CHS, New Link Road, Andheri (West), Mumbai – 400 053. This firm is engaged in the business of real estate and infrastructure development.

The name of the Partners along with their percentage profit sharing as follows:

Sr.No.	Name of the Partners	Profit sharing Ratio
1.	Mr. Avtejinder Singh Mann (Designated Partner)	16.67
2.	Mr. Raman Maroo (Designated Partner)	5.59
3.	Mr. Kunal Dasgupta	8.34
4.	Ms Lata Dasgupta	8.34
5.	Mr Rajkamal Singh	15.66
6.	Mr Jai Maroo	3.73
7.	Mr Atul Maru	5.58
8.	Mr Buddhichand Maroo	5.58
9.	Mr Hiren Gada	0.93
10.	Golden Future Investments Private Limited	29.58
	<b>Total</b>	<b>100</b>

#### Financial Performance

The audited financial results of the BTLLS are as follows:

Particulars	As on March 31, 2012
Sales/turnover	0.00
Profit/ (Loss) after tax	(5.82)
Equity capital	3.00
Reserves and Surplus (excluding revaluation reserves)	(29.16)
Earnings/ (Loss) per share (basic)	(19.41)
Earnings/ (Loss) per share (diluted)	(19.41)
Net Asset Value per share	(87.18)

BTLLS was converted from a private limited company to a limited liability partnership on August 8, 2012, therefore the audited financial results of the BTLLS (for the last two Fiscal) is as follows:

(₹ In Lakhs, unless otherwise stated)

Particulars	As at March 31, 2014	As at March 31, 2013
Sales and Other Income	0.00	0.27
Profit/ (Loss) after tax	(0.06)	(0.18)
Partners' Capital	3.00	3.00

### 3. Tasmai Properties LLP, ("TP LLP")

It was incorporated as a limited liability partnership on January 1, 2013, The registered office of the firm is situated at 303, 3<sup>rd</sup> floor, Oshiwara Aroma CHSL, New Link Road, Andheri (West), Mumbai – 400 053. This firm is engaged in the business of real estate and infrastructure development.

The name of the Partners along with their percentage profit sharing as follows:

Sr.No.	Name of the Partners	Percentage Profit Sharing
1.	Mr. Avtejinder Singh Mann (Designated Partner)	50
2.	Mr. Raman Maroo (Designated Partner)	50

#### Financial Performance

The audited financial results of the TP LLP (for the last two Fiscals) are as follows:

(₹ In Lakhs, unless otherwise stated)

Particulars	Fiscal 2014	Fiscal 2013
Sales and Other Income	Nil	Nil
Profit/ (Loss) after tax	(0.06)	(0.18)
Partners' Capital	(0.04)	0.01

### 4. Raman Hirji Maroo (HUF)

The karta of Raman Hirji Maroo (HUF) ("HUF") is Mr. Raman Maroo. The office of the HUF is situated at 21-22A, Woodland, 67, Peddar Road, Mumbai – 400 026.



#### *Interest of the Promoters*

The following are the members of the HUF and the profits and liabilities are shared as per the karta:

- (i) Mr. Raman Maroo;
- (ii) Dr. Kastur Maroo;
- (iii) Ms. Mansi Maroo; and
- (iv) Ms. Radhika Dewan.

#### **5. Atul Maroo (HUF)**

The karta of Atul Maroo (HUF) (“**HUF**”) is Mr. Atul Maru. The office of the HUF is situated at 51, New Usha Kiran, M L Dahanukar Marg, Mumbai – 400 026.

#### *Interest of the Promoters*

The following are the members of the HUF:

- (i) Mr. Atul Maru;
- (ii) Ms. Sangita Maru;
- (iii) Ms. Nirvi Maru; and
- (iv) Ms. Urvi Maru.

#### **Companies from which our Promoters have disassociated in the last three years preceeding the date of the Draft Red Herring Prospectus with the SEBI**

Our Promoters have disassociated themselves from Shemaroo Video Recording (Bombay) Private Limited during the three years preceding the date of the filing of the Draft Red Herring Prospectus with the SEBI. This company has been wound up in accordance with the applicable law.

Subsequent to the date of filing the Draft Red Herring Prospectus with the SEBI, both of our Promoters have disassociated themselves from Taurean Estate Development LLP, as they ceased to be a partner of the said limited liability partnership firm.

#### **Common Pursuits/Conflict of Interest**

Certain of our Group Companies, engage in or are authorised under their memorandum of association to engage in business similar to that of our Company. Further, certain of our Subsidiaries engage in, or are authorised under their memorandum of association to engage in business similar to that of our Company. For further information, see the section titled “History and Certain Corporate Matters – Subsidiaries of our Company” on pages 139 to 141 of this Prospectus.

We have not entered into any non-compete agreement with our Group Companies. To this extent, we may have a potential conflict of interest between the extant Group Companies and our Company. For further details, see the section titled “Risk Factors” on page 26 of this Prospectus.

#### **Related Party Transactions**

For details of the related party transactions, see the section titled “Financial Statements - Related Party Transactions” on pages 181 to 185 and 226 to 229 of this Prospectus.

#### **Other confirmations**

##### *Interest in sales and purchases*

Except as disclosed in section titled “Financial Statements - Related Party Transactions” on pages 181 to 185 and 226 to 229 of this Prospectus, there have been no sales and purchases between us and our Group Companies and entities, Subsidiaries and associate companies, when such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

##### *Business Interests*

Except as disclosed in section titled “Financial Statements - Related Party Transactions” on pages 181 to 185 and 226 to 229 of this Prospectus, none of our Group Companies and entities / Subsidiaries / associate companies have any business interests in our Company.

#### *Defunct Group Companies*

None of our Group Companies has remained defunct and no application has been made to the Registrar of Companies for striking off their name from the register of companies, during the five years preceding the date of filing of the Draft Red Herring Prospectus with the SEBI except Shemaroo Video Recording (Bombay) Private Limited. The company has been wound up under the easy exit scheme, 2010 (EES, 2010) since no business activities were carried out.

#### *Interest in promotion of our Company*

None of our Group Companies and entities were interested in the promotion of our Company.

#### *Interest in the property of our Company*

Except as disclosed in the sections titled “Our Business” on page 129 of this Prospectus and “Financial Statements – Related Party Transactions” on pages 181 to 185 and 226 to 229 of this Prospectus, our Group Companies and entities do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of the Draft Red Herring Prospectus with the SEBI.

#### *Interest in the transaction involving acquisition of land*

Except as described in “Financial Statements - Related Party Transactions” on pages 181 to 185 and 226 to 229 of this Prospectus, none of our Group Companies and entities were interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

## DIVIDEND POLICY

Our Company does not have any formal dividend policy. The declaration and payment of dividend are governed by the applicable provisions of the Companies Act and the Articles of Association of our Company and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, contractual restrictions and other factors considered relevant by our Board.

The dividends declared by our Company in each of the Fiscal 2014, 2013, 2012, 2011 and 2010, as per our audited and restated financial statements are as given below:

Particulars	For the financial year ended				
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Face value per share (₹)	10	10	10	10	10
Dividend (₹ in lakhs)	99.24	99.24	99.24	91.14	Nil
Dividend (in ₹ per share)	0.5	0.5	0.5	2	Nil
Dividend Tax (₹ in lakhs)	16.87	16.87	16.10	15.14	Nil
Equity Share Capital (₹ in lakhs)	1,984.89	1,984.89	1,984.89	455.71	Nil
Rate of dividend (%)	5%	5%	5%	20%	Nil

## SECTION V – FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

<b>S. No.</b>	<b>Particulars</b>	<b>Page</b>
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2	Auditor's report on the audited and restated consolidated financial statements	213

## AUDITORS' REPORT ON THE AUDITED AND RESTATED STANDALONE FINANCIAL STATEMENTS

**Date:** August 26, 2014

To,  
The Board of Directors of Shemaroo Entertainment Limited  
Shemaroo House,  
Plot No. 18,  
Marol Co-Operative Industrial Estate,  
Off. Andheri Kurla Road,  
Andheri- East,  
Mumbai- 400059  
India.

Dear Sirs,

**Re:** Proposed Initial Public Offering of equity shares by Shemaroo Entertainment Limited, (“**Company**”)  
**Sub:** Report on Standalone Restated Financial Statements

1. This report is issued in accordance with the terms of our engagement letter dated June 25, 2014.
2. The accompanying standalone restated financial information, expressed in Indian Rupees, in lakhs, (“**Standalone Restated Financial Information**”) of Shemaroo Entertainment Limited (hereinafter referred to as the “**Company**”), comprising the financial information as detailed in paragraph A below and Other Financial Information as detailed in paragraph B below, has been prepared by the management of the Company in accordance with the requirements of the Companies Act, 2013 (hereinafter referred to as the “**Act**”) and Item (IX) of Part (A) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “**SEBI Regulations**”) issued by the Securities and Exchange Board of India (the “**SEBI**”) in connection with the proposed initial public offering of Equity Shares of the Company (the “**Issue**”) and has been approved by the Board of Directors and initialed by us for identification purposes. For the purposes of our examination, we have placed reliance on the audited financial statements of the Company as at and for the years ended on March 31, 2014, 2013, 2012, 2011 and 2010, all expressed in Indian Rupees. The financial statements of the Company for the years ended March 31, 2011 and 2010, were audited and reported upon by Mr. V V Rao having ICAI Membership Number 30916, representing then statutory auditors of the Company, Gawande & Associates, Chartered Accountants., (ICAI Firm Registration Number 112880W), as partner, for which they have expressed unmodified audit opinions vide their reports dated June 10, 2011 and July 9, 2010 respectively, we have reaudited the financial statements of the Company for the financial year ended on March 31, 2011. We have relied on the audited financial statements of the Company for the financial year ended on March 31, 2010 and have not carried out any audit tests or review procedures on such financial statements of the Company for the years ended on these respective dates. Since we did not perform the audit for the above years, the financial information included for such years is solely based on the audit report submitted by Gawande & Associates, Chartered Accountants., (ICAI Firm Registration Number 112880W) for the relevant years. The financial statements of the Company for the year ended on March 31, 2014, 2013 and 2012 have been audited by us for which we have expressed unmodified audit opinion vide our report dated May 29, 2014, June 12, 2013 and June 29, 2012 respectively.

### Management's Responsibility for the Standalone Restated Financial Information

3. The preparation of the Standalone Restated Financial Information, which is to be included in the Red Herring Prospectus (“**RHP**”) and Prospectus, is the responsibility of the management of the Company. The Board of Directors' responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Standalone Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

### Auditors' Responsibility for the Standalone Restated Financial Information

4. Our work has been carried out in accordance with Generally Accepted Auditing Standards and in accordance with the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants

of India and pursuant to the requirements of the Act. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

**A. Financial Information as per audited financial statements:**

5. We have examined the following summarized financial statements of the Company contained in Standalone Restated Financial Information of the Company:
  - a) the “Standalone Restated Statement of Assets and Liabilities” as at March 31, 2014, 2013, 2012, 2011 and 2010 (enclosed as **Annexure I**);
  - b) the “Standalone Restated Statement of Profit and Loss” for the years ended on March 31, 2014, 2013, 2012, 2011 and 2010 (enclosed as **Annexure II**); and
  - c) the “Standalone Restated Statement of Cash Flows” for the years ended on March 31, 2014, 2013, 2012, 2011 and 2010 (enclosed as **Annexure III**).
6. The Standalone Restated Financial information, expressed in Indian Rupees in Lacs, has been derived from the audited financial statements of the Company as at and for the years ended on March 31, 2014, 2013, 2012, 2011 and 2010, all of which were, expressed in Indian Rupees.
7. We draw your attention to the following:
  - a) the Standalone Restated Financial Information should be read in conjunction with the Statement of Significant Accounting Policies and Notes to the Restated Statements enclosed as **Annexure IV**;
  - b) the Standalone Restated Financial information does not contain all the disclosures required by the Accounting Standards, since such disclosure is not required for preparation and presentation of Standalone Restated Financial Information.
8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2014. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to March 31, 2014.

**B. Other Financial Information:**

9. At the Company’s request, we have also examined the following Other Financial Information relating to the Company as at and for the the years ended on March 31, 2014, 2013, 2012, 2011 and 2010 proposed to be included in the RHP, prepared by the management of the Company and as approved by the Board of Directors of the Company and annexed to this report:

Annexure	
Annexure IIA:	Reconciliation Statement between Audited Profit After Tax and Restated Profit After Tax
Annexure V A:	Statement of Standalone Tangible and Intangible Assets as on March 31, 2014
Annexure V B:	Statement of Standalone Tangible and Intangible Assets as on March 31, 2013
Annexure V C:	Statement of Standalone Tangible and Intangible Assets as on March 31, 2012
Annexure V D:	Statement of Standalone Tangible and Intangible Assets as on March 31, 2011
Annexure V E:	Statement of Standalone Tangible and Intangible Assets as on March 31, 2010
Annexure VI:	Statement of Standalone Loans & Advances
Annexure VII:	Statement of Standalone Trade Receivables - Non Current
Annexure VIII:	Statement of Standalone Trade Receivables – Current
Annexure IX:	Statement of Standalone Short Term Loans & Advances
Annexure X:	Statement of Standalone Long Term Borrowings
Annexure XI:	Statement of Standalone Short Term Borrowings
Annexure XII:	Statement of Standalone Other Current Liabilities
Annexure XIII:	Statement of Standalone Reserves and Surplus
Annexure XIV:	Statement of Standalone Share Capital
Annexure XV:	Statement of Standalone Other Income
Annexure XVI:	Statement of Standalone Capitalization
Annexure XVII:	Statement of Standalone Accounting & Other Ratios

Annexure XVIII:	Statement of Standalone Tax Shelter
Annexure XIX:	Statement of Standalone Contingent Liabilities
Annexure XX:	Statement of Standalone Dividend declared
Annexure XXI:	Statement of Standalone Long term Investments
Annexure XXII:	Statement of Standalone Inventories

## Opinion

10. In our opinion:

- i. the Standalone Restated Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation of financial information and respective significant accounting policies have been prepared in accordance with the Act and the SEBI Regulations;
  - ii. adjustments have been made with retrospective effect to reflect the changes in accounting policies of the Company (as disclosed in Annexure IV to this report) to reflect the same accounting treatment as per the accounting policies as at March 31, 2014 for all the reporting years;
  - iii. the material adjustments relating to previous years have been adjusted in the year to which they relate;
  - iv. there are no qualifications in the auditors' reports, which require any adjustments; and
  - v. there are no extra-ordinary items which needs to be disclosed separately.
11. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us and by another firm of chartered accountants on the financial statements of the Company.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Yours faithfully,

**For: M. K. Dandeker & Co**

**Chartered Accountants**

**ICAI Firm Reg. No.: 000679S**

**K. J. Dandeker**

**Partner**

**Membership No.: 18533**

**Place: Mumbai**

**SHEMAROO ENTERTAINMENT LIMITED**  
**ANNEXURE - I**

**Statement of Standalone Assets and Liabilities (As Restated)**

(₹ in lacs)

Particulars	As on March 31				
	2014	2013	2012	2011	2010
<b>1 Non-Current Assets</b>					
Fixed Assets					
(i) Tangible Assets	3,317.94	3,425.21	3,523.80	3,414.71	3,523.89
(ii) Intangible Assets	92.74	80.22	89.27	82.24	100.50
(iii) Intangible assets under development	-	13.19	6.74	5.35	5.57
Non – Current Investments	1,202.35	1,199.35	1,099.35	650.15	37.96
Long-Term Loans and Advances	84.54	82.24	385.04	1,039.93	1,563.43
Trade Receivables	-	330.54	345.54	1,764.02	-
<b>Other Non-Current Assets</b>					
In Fixed Deposits	4.50	4.50	4.50	146.50	4.50
(maturity of more than 1 year)					
<b>Total Non - Current Assets – 1</b>	<b>4,702.07</b>	<b>5,135.25</b>	<b>5,454.24</b>	<b>7,102.89</b>	<b>5,235.84</b>
<b>2 Current Assets</b>					
Inventories	19,801.10	14,646.74	9,691.84	5,313.06	5,144.00
Trade Receivables	13,988.17	7,093.80	8,950.59	6,544.12	6,189.72
Cash and Cash Equivalents	59.49	100.68	645.18	634.68	1,847.47
Short-Term Loans and Advances	2,546.04	2,715.56	2,401.44	3,092.21	2,832.99
Other Current Assets	216.63	146.69	125.36	-	-
<b>Total Current Assets – 2</b>	<b>36,611.44</b>	<b>24,703.47</b>	<b>21,814.41</b>	<b>15,584.06</b>	<b>16,014.19</b>
<b>3 Non-Current Liabilities</b>					
Long-Term Borrowings	1,008.86	24.23	513.66	1,322.85	2,529.21
Long-Term Provisions	62.21	45.30	48.11	37.01	13.14
Deferred Tax Liabilities (Net)	847.90	507.55	486.34	449.46	403.68
<b>Total Non - Current Liabilities – 3</b>	<b>1,918.97</b>	<b>577.08</b>	<b>1,048.11</b>	<b>1,809.32</b>	<b>2,946.03</b>
<b>4 Current Liabilities</b>					
Short-Term Borrowings	14,114.53	10,991.58	8,768.36	8,289.82	8,090.30
Trade Payables	2,975.22	898.66	2,216.55	1,119.35	1,502.59
Other Current Liabilities	3,667.37	1,875.60	2,391.76	2,188.53	759.29
Short-Term Provisions	892.15	429.45	118.91	168.06	24.93
<b>Total Current Liabilities – 4</b>	<b>21,649.27</b>	<b>14,195.28</b>	<b>13,495.58</b>	<b>11,765.76</b>	<b>10,377.10</b>
<b>Net Worth - 1 + 2 - 3 - 4</b>	<b>17,745.27</b>	<b>15,066.35</b>	<b>12,724.96</b>	<b>9,111.87</b>	<b>7,926.90</b>
<b>5 Shareholders' Funds</b>					
<b>(A) Share Capital</b>					
Equity Share Capital	1,984.89	1,984.89	1,984.89	455.71	45.57
<b>(B) Reserves and Surplus</b>					
Capital Reserves on Demerger	-	-	-	1,081.32	1,491.46
Securities Premium Account	4,213.50	4,213.50	4,213.50	3,061.03	3,061.03
General Reserve	1,869.99	1,800.11	1,738.40	1,685.86	1,590.94
Credit Balance of Statement of Profit and Loss	9,676.89	7,067.84	4,788.16	2,827.95	1,737.89
<b>Net Worth</b>	<b>17,745.27</b>	<b>15,066.35</b>	<b>12,724.96</b>	<b>9,111.87</b>	<b>7,926.90</b>



**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - II**

**Statement of Standalone Profits and Loss (As Restated)**

		(₹ in lacs)				
Particulars		For the year ended March 31				
		2014	2013	2012	2011	2010
<b>1</b>	Revenue From Operations	26,333.70	21,332.04	18,051.78	15,492.60	10,160.39
<b>2</b>	Other Income	134.24	134.84	510.53	117.90	196.35
<b>3</b>	<b>Total Revenue (1 + 2)</b>	<b>26,467.93</b>	<b>21,466.88</b>	<b>18,562.31</b>	<b>15,610.50</b>	<b>10,356.74</b>
<b>4</b>	<b>Expenses:</b>					
	Direct Operational Expenses	21,668.14	17,615.05	14,888.95	10,205.22	6,198.29
	Changes in inventories	(5,154.36)	(4,954.90)	(4,378.78)	(169.05)	229.36
	Employee benefit expense	1,794.01	1,593.54	1,434.02	953.42	835.20
	Other expenses	1,511.56	1,340.06	1,492.70	1,159.53	1,051.87
	<b>Total (a)</b>	<b>19,819.36</b>	<b>15,593.75</b>	<b>13,436.88</b>	<b>12,149.12</b>	<b>8,314.72</b>
<b>5</b>	<b>Earnings before tax, depreciation and Interest, amortization (EBITDA) (3 - 4)</b>	<b>6,648.58</b>	<b>5,873.13</b>	<b>5,125.42</b>	<b>3,461.38</b>	<b>2,042.02</b>
<b>6</b>	Finance costs (b)	1,922.80	1,830.79	1,926.25	1,529.38	1,645.75
<b>7</b>	Depreciation and amortization expense (c)	296.27	298.09	294.44	271.21	268.15
<b>8</b>	<b>Total Expenses (a+b+c)</b>	<b>22,038.42</b>	<b>17,722.63</b>	<b>15,657.57</b>	<b>13,949.70</b>	<b>10,228.62</b>
<b>9</b>	<b>Profit Before Tax (5 - 6- 7)</b>	<b>4,429.51</b>	<b>3,744.24</b>	<b>2,904.74</b>	<b>1,660.80</b>	<b>128.12</b>
<b>10</b>	<b>Tax Expense:</b>					
	(1) Current Tax	1,293.25	1,264.56	938.32	323.11	-
	Less : MAT Credit	-	-	(199.34)	-	-
	(2) Fringe Benefit Tax	-	-	-	-	-
	(3) Deferred Tax	340.34	21.22	36.88	45.79	1.21
	(4) Wealth Tax	0.89	0.96	0.78	0.66	1.08
<b>11</b>	<b>Restated Profit for the Year (9 - 10)</b>	<b>2,795.03</b>	<b>2,457.50</b>	<b>2,128.11</b>	<b>1,291.25</b>	<b>125.83</b>
		₹				
<b>12</b>	<b>Earnings Per Equity Share:</b>					
	(1) Basic	14.08	12.38	10.79	7.08	0.69
	(2) Diluted	14.08	12.38	10.79	7.08	0.69

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - IIA**

**Reconciliation Statement between Audited Profit after Tax and Restated Profit after Tax:**

Particulars	For the year ended March 31				
	2014	2013	2012	2011	2010
<b>Profit after Tax as per Audited Profit &amp; Loss Account</b>	2,784.08	2,468.45	2,101.76	1,299.17	129.34
<b><u>Adjustments on account of:</u></b>					
Leave Encashment	-	-	-	14.33	(3.61)
Gratuity	-	-	-	23.74	0.01
Wealth Tax	-	-	-	-	(1.08)
Prior Period Items	10.95	(10.95)	26.35	(33.64)	-
Deferred Tax Asset/(Liability)	-	-	-	(12.35)	1.17
<b>Total</b>	<b>2,795.03</b>	<b>2,457.50</b>	<b>2,128.11</b>	<b>1,291.25</b>	<b>125.83</b>

(₹ In Lacs)

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - III**

**Statement of Standalone Cash Flow (As Restated)**

Particulars	For the year ended March 31				
	2014	2013	2012	2011	2010
(₹ in lacs)					
<b>A Cash flow from operating Activities</b>					
Net profit / (loss) before tax	4,429.51	3,744.24	2,904.74	1,660.80	128.12
Adjustments for :					
Depreciation and amortization	296.27	298.09	294.44	271.21	268.15
Financial Expenses	1,922.80	1,830.79	1,926.25	1,529.38	1,645.75
Interest Income	(65.47)	(96.10)	(111.99)	(172.69)	(99.70)
Dividend Income	(0.90)	(0.90)	(0.90)	(0.90)	(1.05)
(Profit) / Loss on sale of Fixed Assets	0.08	0.55	2.49	(25.20)	2.17
(Profit) / Loss on sale of Investments	-	-	-	-	-
Provision for Taxation	-	-	(0.78)	(0.66)	-
Unrealised Foreign Exchange (Gain)/Loss	(22.34)	41.67	(65.21)	73.76	9.22
Provision for Leave Encashment	18.23	(2.55)	11.25	24.66	3.61
Provision for Gratuity	11.85	-	-	35.40	(0.01)
Liabilities no longer required written back	2.46	2.99	-	-	-
Miscellaneous Expenses written/off	-	-	-	-	-
<b>Operating profit / (loss) before working capital changes</b>	<b>6,592.49</b>	<b>5,818.78</b>	<b>4,960.28</b>	<b>3,395.76</b>	<b>1,956.27</b>
Adjustments for -					
Decrease / (Increase) in inventories	(5,154.36)	(4,954.90)	(4,378.78)	(169.05)	229.36
Decrease / (Increase) in Trade and Other receivables	(6,234.82)	1,286.01	(100.94)	(1,832.49)	(1,749.18)
(Decrease) / Increase in liabilities and provisions	3,890.60	(1,538.48)	1,210.34	1,115.35	852.45
<b>Cash generated from / (used in) operations</b>	<b>(906.09)</b>	<b>611.41</b>	<b>1,690.90</b>	<b>2,509.57</b>	<b>1,288.90</b>
Direct taxes (paid)/ Refund Received (Net)	(847.00)	(721.78)	(183.45)	(205.10)	(2.38)
<b>Net cash from / (used in) operating activities</b>	<b>(1,753.09)</b>	<b>(110.36)</b>	<b>1,507.45</b>	<b>2,304.46</b>	<b>1,286.52</b>
<b>B Cash flow from investing activities</b>					
(Purchase) of Fixed Assets	0.34	0.76	1.32	63.91	0.68
Proceeds from sale of investments	-	-	-	-	-
Purchase of Fixed assets including Capital WIP and Intangible assets under development	(188.77)	(198.21)	(415.76)	(182.26)	(68.97)
(Increase) / Decrease of fixed deposits	-	-	142.00	(342.00)	-
Dividend Income	0.90	0.90	0.90	0.90	1.05
Interest Income	65.47	96.10	111.99	172.69	99.70
Investments made in Associate Company	-	-	(449.20)	(612.19)	-
Investments made in Subsidiary Company	-	(100.00)	-	-	(26.88)
Loans given to subsidiaries	(161.78)	-	-	(82.08)	(21.49)
<b>Net cash used in investing activities</b>	<b>(283.84)</b>	<b>(200.46)</b>	<b>(608.74)</b>	<b>(981.04)</b>	<b>(15.90)</b>
<b>C Cash flow from financing activities</b>					
Issue of Shares for cash	-	-	40.51	-	-
Premium collected in cash on issue of of Share Capital	-	-	1,559.81	-	-
Share Application money pending allotment	-	-	-	-	-

Increase / (Decrease) of Long term Borrowings	984.63	(489.43)	(809.19)	(1,206.36)	(238.68)
Increase / (Decrease) of Short term Borrowings	3,122.95	2,223.22	478.54	199.52	993.12
Dividend Paid	(99.24)	(99.24)	(91.14)	-	-
Tax on Dividend Paid	(16.87)	(16.10)	(15.14)	-	-
Financial Expenses	(1,922.80)	(1,830.79)	(1,926.25)	(1,529.38)	(1,645.75)
Unamortised Expenses paid towards Fund Raising	(69.95)	(21.33)	(125.36)	-	-
<b>Net cash provided by financing activities</b>	<b>1,998.73</b>	<b>(233.68)</b>	<b>(888.20)</b>	<b>(2,536.22)</b>	<b>(891.32)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(38.19)</b>	<b>(544.50)</b>	<b>10.51</b>	<b>(1,212.79)</b>	<b>379.30</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>100.68</b>	<b>645.18</b>	<b>634.68</b>	<b>1,847.47</b>	<b>1,468.17</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>59.49</b>	<b>100.68</b>	<b>645.18</b>	<b>634.68</b>	<b>1,847.47</b>

## **SHEMAROO ENTERTAINMENT LIMITED**

### **ANNEXURE - IV**

#### **Statement of Standalone Significant Accounting Policies and Notes to the Restated Statements**

##### **1) Nature of Operations**

Shemaroo Entertainment Limited ('the company') is engaged in the business of Aggregation, Production and Co-Production of Cinematograph Films, Dramas etc., and subsequently exploiting and distributing rights of Films, Dramas across the world through various medium such as television licensing, DVD and VCD release, exploiting various rights of the content through new distribution avenues such as IPTV, VOD and mobile platform. The Company houses state-of-the-art studio facilities, equipped with highly sophisticated studio hardware and software.

##### **2) Significant Accounting Policies**

###### **a) Basis of Accounting**

The financial statements are prepared under historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) in India, Accounting Standards (AS) as notified under Companies (Accounting Standards) Rules, 2006 and the requirements of the Companies Act, 1956.

###### **b) Use of Estimates**

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

###### **c) Fixed Assets**

Fixed assets are stated at historical cost less accumulated depreciation/amortization thereon and impairment losses, if any. Cost includes all costs incidental to acquisition, installation, commissioning and related internal costs and interest paid on funds borrowed to finance the assets until the assets are ready for commercial use.

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

###### **d) Depreciation**

Depreciation on fixed assets is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on addition to /deletions from fixed assets is provided on pro-rata basis from / up to the date of such additions / deletions as the case may be. Fixed assets individually costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

###### **e) Investments**

Investments are classified into Current and Long Term Investments. Long term investments (including joint ventures) are stated at cost, except where there is a diminution in value other than temporary, in which case requisite provision is made to write down the carrying value to recognize such decline. Current investments are stated at cost.

###### **f) Inventories**

- i. 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.
- ii. Raw Stock, Digital Video Discs/Compact Discs stock are stated at lower of cost or net realisable value.
- iii. The copyrights are valued at a certain percentage of cost based on the nature of rights. The Company evaluates the realisable value and/or revenue potential of inventory based on management estimate of market conditions and future demand and appropriate write down is made in cases where accelerated write down is warranted.
- iv. The borrowing cost directly attributable to a movie/game is capitalised as part of the cost.

#### **g) Revenue Recognition**

- i. Sales of ACDs / VCDs / DVDs /ACS are recognised when goods are supplied and are recorded net of returns, trade discounts, rebates and indirect taxes.
- ii. The cost of drama covering the cost of purchase of copyrights and shooting expenses is expensed out as a certain percentage of total cost.
- iii. Sales of rights are recognised on the date of entering into agreement for the sale of the same, provided the Censor Certificate is in existence.
- iv. Services are recognized when the contractual commitments are delivered in full and are recorded net of returns, trade discounts, rebates and indirect taxes.
- v. Revenues relating to complete Feature Films are recognised in the year of release of feature films.
- vi. Revenue pertaining to release of music of film is recognized on the date of its release.
- vii. Dividend income is recognised when the right to receive the same is established.
- viii. Interest Income is recognised on a time proportion basis.

#### **h) Purchase of Rights**

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

#### **i) Employee Benefits**

##### **Defined contribution plan**

The company's contributions to Employees Provident Fund, Employees Pension Fund and cost of other benefits are charged to Profit and Loss Account on actual cost to the company on accrual basis each year.

##### **Defined benefit plan**

The Company's liability towards gratuity has been accounted on the basis of actuarial valuation and the contribution thereof paid / payable is charged to the Profit and Loss Account each year.

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

#### **j) Borrowing Cost**

Borrowing Costs that are directly attributable to the acquisition and construction of qualifying assets are capitalized as a part of the cost of the respective assets up to the date, when such asset is ready for its intended use. Other borrowing costs are charged to the profit and loss account in the year in which they are incurred except Bill Discounting charges which have been carried forward on time proportion basis.

#### **k) Foreign Currency Transaction**

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

#### **l) Taxation**

##### **i. Current Tax**

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

##### **ii. Deferred Tax**

Deferred Tax is recognised on timing differences; being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. The tax effect is calculated on the accumulated timing difference at the yearend based on the tax rates and laws enacted or substantially enacted on the balance sheet date

**m) Earnings Per Share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**n) Impairment of Assets**

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

**o) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

**p) Unamortised Expenses - Proposed Share Issue Expenses**

The "Unamortised Expenses - Proposed Share Issue Expenses" includes various expenditure incurred by the Company towards proposed fund raising through public issue of equity shares of the Company (IPO). The said amount shall be written-off as per the provisions of the Companies Act, 1956.

**3) Notes To Accounts -**

**1) Related Parties disclosure as per AS 18 is as follows :**

**a) Details of the names of related parties and nature of relationships :**

**Entity having common control -**

Shemaroo Holdings Private Limited

Shemaroo Trading Corporation

Shemaroo (Warden Road)

Shemaroo Corporation (formerly known as Shemaroo (Petit Hall)

Sneha Arts

Think Walnut Digital Private Limited

Technology and Media Group Pte Ltd.

Taurean Estate Development LLP

**Subsidiaries -**

Shemaroo Entertainment INC, USA

Shemaroo Entertainment (UK) Private Limited  
Shemaroo Films Private Limited

**Associate -**

Vistaas Digital Media Private Limited

**Key Management Personnel -**

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

**Relative of Key Management Personnel -**

Atul Maroo (HUF)  
Buddhichand H. Maroo (HUF)  
Raman H. Maroo (HUF)  
Ms. Leelaben Maroo  
Ms. Kastur Maroo  
Ms. Sangita Maru  
Ms. Radhika Dewan  
Ms. Nirvi Maru  
Ms. Urvi Maru  
Ms. Madhuri Gada



**b) Transactions with Related Parties :**

(₹ In Lacs)

Particulars	For the year ended March 31				
	2014	2013	2012	2011	2010
<b>1) Transactions with Entities having common control</b>					
Director's Remuneration	-	-	-	-	-
Dividend Proposed (Net of Dividend Distribution Tax)	9.11	9.11	9.11	-	-
Interest Paid	4.70	29.27	32.65	46.05	37.04
Investments	-	-	-	-	-
Loans Given					
Loans Taken	-	29.00	-	37.00	224.00
Other Income (Rent Received)	1.50	1.32	1.32	1.20	-
Other Income (Sale of Keyman Insurance)	-	-	-	-	-
Personal Guarantees Taken against Bank Loans	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	0.31	2.16
Purchase of goods & services	162.90	169.10	72.24	0.01	0.07
Salaries	-	-	-	-	-
Sales of goods & services			-	4.32	4.96
<b>Balances outstanding</b>					
Receivable	0.14	-	-	-	-
Payables	29.40	34.59	44.68	-	-
Loans / Deposits	-	258.84	245.39	261.00	224.00
<b>2) Transactions with Subsidiaries</b>					
Director's Remuneration	-	-	-	-	-
Dividend Proposed (Net of Dividend Distribution Tax)	-	-			
Interest Paid		-			
Investments	-	100.00		-	26.88
Loans Given	353.92	8.27	-	79.65	21.49
Loans Taken	-	-	-	-	-
Other Income (Rent Received)	-	-	-	-	-
Other Income (Sale of Keyman Insurance)	-	-	-	-	-
Personal Guarantees Taken against Bank Loans	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	-	-
Purchase of goods & services	-	-	-	-	1.58

Salaries	-	-	-	-	-
Sales of goods & services	55.21	5.22	9.16	-	9.29

#### **Balances outstanding**

Receivable	44.62	1.37	136.03	119.43	138.67
Payables	-	93.16	-	-	-
Loans / Deposits	179.57	17.79	117.79	103.58	21.49

#### **3) Transactions with Associates**

Director's Remuneration	-	-	-	-	-
Dividend Proposed (Net of Dividend Distribution Tax)	-	-	-	-	-
Interest Paid	-	-	-	-	-
Investments done during the year	-	-	449.20	612.19	-
Loans Given	-	-	-	-	-
Loans Taken	-	-	-	-	-
Other Income (Rent Received)	-	-	-	-	-
Other Income (Sale of Keyman Insurance)	-	-	-	-	-
Personal Guarantees Taken against Bank Loans	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	-	-
Purchase of goods & services	83.28	35.34	19.50	-	-
Salaries	-	-	-	-	-
Sales of goods & services	-	-	1.15	-	-

#### **Balances outstanding**

Receivable	-	-	1.03	-	-
Payables	44.50	23.34	-	-	-
Loans / Deposits	-	-	-	-	-

#### **4) Transactions with Key Management Personnel & Relatives of Key Management Personnel**

Director's Remuneration	116.35	115.21	116.20	100.63	150.32
Dividend Proposed (Net of Dividend Distribution Tax)	82.03	82.03	82.03	-	-
Interest Paid	57.72	58.38	56.39	213.14	40.08
Directors Sitting Fees	1.20	1.00	1.40	-	-
Investments done during the year	-	-	-	-	-

Loans Given	-	-	-	-	-
Loans Taken	304.97	1,272.75	424.00	578.00	1,136.00
Other Income (Rent Received)	-	-	-	-	-
Other Income (Sale of Keyman Insurance)	-	-	296.26	-	83.48
Personal Guarantees Taken against Bank Loans	54,450.00	45,750.00	82,760.00	50,620.00	38,340.00
Purchase of Fixed Assets	-	-	-	-	-
Purchase of goods & services	-	-	-	-	-
Salaries	165.35	155.46	166.85	19.92	18.05
Sales of goods & services	-	-	-	-	-
Balances outstanding					
Receivable	11.26	14.50	14.50	-	-
Payables	-	-	-	-	-
Loans / Deposits	391.20	858.36	455.93	467.50	1,107.00

## 2) Earnings Per Share (EPS) :

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the reporting period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive. The earnings per share is calculated as under:

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2014	2013	2012	2011	2010
Profit / (Loss) after Tax (As restated)	2,795.03	2,457.50	2,128.11	1,291.25	125.83
Weighted average number of Equity Shares outstanding at the end of the year (in lakhs)					
Basic *	198.49	198.49	197.14	182.28	182.28
Diluted *	198.49	198.49	197.14	182.28	182.28
Nominal value of shares (in Rupees) **	10.00	10.00	10.00	10.00	10.00
<u>Earnings Per Share (in Rupees)</u>					
Basic	14.08	12.38	10.79	7.08	0.69
Diluted	14.08	12.38	10.79	7.08	0.69

\* During the financial year 2011-12, the company issued 3 Bonus shares in ratio of every 1 share held. Weighted Average Number of shares for Financial Year 2011-12, 2010-11 and 2009-10, has been reworked taking into account the Bonus Factor.

\* During the financial year 2010-11, the company issued 9 Bonus shares in ratio of every 1 share held. Weighted Average Number of shares for Financial Year 2010-11 and 2009-10, has been reworked taking into account the Bonus Factor.

## 3) Components of Deferred Tax Liability :

(₹ in lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2014	2013	2012	2011	2010
Opening Deferred Tax Asset / (Liability)	(507.55)	(486.34)	(449.46)	(403.68)	(402.47)
<u>Components of Deferred Tax Assets / (Liabilities) -</u>					
Depreciation	38.34	21.22	40.52	33.44	2.38
Other	302.00	-	(3.65)	12.35	(1.17)
<b>Deferred Tax Assets / ( Liabilities ) – Net</b>	<b>(340.34)</b>	<b>(21.22)</b>	<b>(36.87)</b>	<b>(45.79)</b>	<b>(1.21)</b>
<b>Closing Deferred Tax Assets / (Liability)</b>	<b>(847.90)</b>	<b>(507.55)</b>	<b>(486.34)</b>	<b>(449.46)</b>	<b>(403.68)</b>

## 4) Auditor's Remuneration (Excluding Service Tax) :

(₹ in lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2014	2013	2012	2011	2010
Audit fees	6.00	4.50	4.00	2.00	1.50
Tax audit fees	1.50	1.25	1.00	1.00	0.75
Fees for Certification Work	2.54	0.40	0.13	0.57	0.56
Management services	7.50	2.90	7.50	-	-
Reimbursement of expenses	1.25	0.63	0.35	-	-
<b>Total</b>	<b>18.79</b>	<b>9.68</b>	<b>12.98</b>	<b>3.57</b>	<b>2.81</b>

5) Earnings in foreign currency :

(₹ in lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2014	2013	2012	2011	2010
Exports at F.O.B. Value	1,509.15	1,070.14	1,022.12	310.24	1,846.60
<b>Total</b>	<b>1,509.15</b>	<b>1,070.14</b>	<b>1,022.12</b>	<b>310.24</b>	<b>1,846.60</b>

6) Expenditure in foreign currency :

(₹ in lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2014	2013	2012	2011	2010
Professional fees	-	-	2.19	0.07	-
Royalty	0.98	46.44	20.68	28.25	53.46
Purchase of content	-	-	6.26	-	-
Dividend	10.39	10.39	9.11	-	-
Directors Sitting Fees	0.80	0.80	0.40	-	-
Others	95.65	81.95	89.33	79.36	82.00
<b>Total</b>	<b>107.81</b>	<b>139.58</b>	<b>127.97</b>	<b>107.68</b>	<b>135.46</b>

7) CIF value of Imports :

(₹ in lacs)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2014	2013	2012	2011	2010
Components and spare parts	1.26	25.01	9.17	43.29	13.67
Purchase of Content	-	-	-	9.90	-
Raw Materials	-	-	-	-	2.14
Capital goods	-	-	40.75	-	-
<b>Total</b>	<b>1.26</b>	<b>25.01</b>	<b>49.92</b>	<b>53.19</b>	<b>15.82</b>

8) Net dividend remitted in foreign exchange :

(₹ in lacs)

Year of remittance	FOR THE YEAR ENDED MARCH 31,				
	2014	2013	2012	2011	2010
Period to which it relates	2012-13	2011-12	2010-11	N.A.	N.A.
Number of non-resident shareholders	5	5	5	2	2
Number of equity shares held on which dividend was due	3,311,620	3,311,620	3,311,620	764,260	76,426
<b>Amount remitted</b>	<b>10.39</b>	<b>10.39</b>	<b>9.11</b>	<b>-</b>	<b>-</b>

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

10) The scheme sanctioned by the Hon'ble High Court of Bombay order dated March 7, 2008 by which it approved the Demerger of the whole of entertainment business of Shemaroo Entertainment Private Limited ("Transferor Company") to Shemaroo Holdings Private Limited ("Transferee Company") and also effected the interchange of the names of the companies i.e the name of the Transferee Company had been changed to Shemaroo Entertainment Private Limited, of the Transferor Company was changed to Shemaroo Holdings Private Limited, currently our Group Company. Prior to the transfer there was no business carried on by the Company.

11) The company's major line of business is dealing in various types of copyrights. Due to the multiplicity and complexity of items, it is not practicable to maintain the quantitative record/continuous stock register for various types of Copyrights. Hence, the quantitative details for copyrights are not maintained by the Company as is the practice generally followed by companies in the industry. Physical stock is taken at the end of the year.

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - V A**

**Statement of Standalone Tangible and Intangible Assets (As Restated)**

(₹ In Lacs)										
Particulars	Gross Block			Depreciation and Amortization					Net Block	
	As on April 1, 2013	Additions During the Year	Deduction / Adjustments	As on March 31, 2014	Upto April 1, 2013	For the Year	Deduction / Adjustments	Upto March 31, 2014	As on March 31, 2014	As on Mar 31, 2013
Office Building*	967.50	14.46	-	981.96	142.05	15.95	-	158.01	823.95	825.45
Plant & Machinery	3,931.05	145.27	0.53	4,075.79	1,711.12	198.64	0.10	1,909.66	2,166.13	2,219.93
Furniture & Fixtures	414.96	-	-	414.96	206.24	26.27	-	232.51	182.45	208.72
Motor Vehicle	277.99	0.62	-	278.61	106.88	26.32	-	133.20	145.41	171.11
<b>Total (A)</b>	<b>5,591.50</b>	<b>160.34</b>	<b>0.53</b>	<b>5,751.32</b>	<b>2,166.30</b>	<b>267.18</b>	<b>0.10</b>	<b>2,433.37</b>	<b>3,317.94</b>	<b>3,425.21</b>
Intangible Assets										
Computer Software	186.55	41.62	-	228.17	106.33	29.09	-	135.42	92.74	80.22
<b>Total (B)</b>	<b>186.55</b>	<b>41.62</b>	<b>-</b>	<b>228.17</b>	<b>106.33</b>	<b>29.09</b>	<b>-</b>	<b>135.42</b>	<b>92.74</b>	<b>80.22</b>
<b>Total Assets (A+B)</b>	<b>5,778.05</b>	<b>201.96</b>	<b>0.53</b>	<b>5,979.48</b>	<b>2,272.63</b>	<b>296.27</b>	<b>0.10</b>	<b>2,568.80</b>	<b>3,410.69</b>	<b>3,505.42</b>
Intangible assets under development									-	13.19
<b>Total as on 31st March, 2014</b>									<b>3,410.69</b>	<b>3,518.61</b>
<b>Total as on 31st March, 2013</b>	<b>5,590.44</b>	<b>191.75</b>	<b>4.15</b>	<b>5,778.05</b>	<b>1,977.37</b>	<b>298.09</b>	<b>2.84</b>	<b>2,272.63</b>	<b>3,518.61</b>	<b>3,619.80</b>

\*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.

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - V B**

**Statement of Standalone Tangible and Intangible Assets (As Restated)**

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As on April 1, 2012	Additions During the Year	Deduction / Adjustments	As on March 31, 2013	Upto April 1, 2012	For the Year	Deduction / Adjustments	Upto March 31, 2013	As on March 31, 2013	As on Mar 31, 2012
Office Building*	967.50	-	-	967.50	126.30	15.75	-	142.05	825.45	841.20
Plant & Machinery	3,802.62	128.43	-	3,931.05	1,503.59	207.53	-	1,711.12	2,219.93	2,299.04
Furniture & Fixtures	414.67	0.29	-	414.96	179.99	26.25	-	206.24	208.72	234.68
Motor Vehicle	235.68	46.45	4.15	277.99	86.80	22.92	2.84	106.88	171.11	148.88
<b>Total (A)</b>	<b>5,420.48</b>	<b>175.17</b>	<b>4.15</b>	<b>5,591.50</b>	<b>1,896.68</b>	<b>272.45</b>	<b>2.84</b>	<b>2,166.30</b>	<b>3,425.21</b>	<b>3,523.80</b>
Intangible Assets										
Computer Software	169.96	16.58	-	186.55	80.69	25.64	-	106.33	80.22	89.27
<b>Total (B)</b>	<b>169.96</b>	<b>16.58</b>	<b>-</b>	<b>186.55</b>	<b>80.69</b>	<b>25.64</b>	<b>-</b>	<b>106.33</b>	<b>80.22</b>	<b>89.27</b>
<b>Total Assets (A+B)</b>	<b>5,590.44</b>	<b>191.75</b>	<b>4.15</b>	<b>5,778.05</b>	<b>1,977.37</b>	<b>298.09</b>	<b>2.84</b>	<b>2,272.63</b>	<b>3,505.42</b>	<b>3,613.07</b>
Intangible assets under development **									13.19	6.74
<b>Total as on 31st March, 2013</b>									<b>3,518.61</b>	<b>3,619.80</b>
<b>Total as on 31st March, 2012</b>	<b>5,191.07</b>	<b>414.37</b>	<b>15.01</b>	<b>5,590.44</b>	<b>1,694.12</b>	<b>294.44</b>	<b>11.19</b>	<b>1,977.37</b>	<b>3,619.80</b>	<b>3,502.30</b>

\*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.

\*\* Intangible assets under development includes amount incurred for developing custom made software for Digital Content Management Rs.13.19 Lacs (Previous Year – Rs.6.74 Lacs)

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - V C**

**Statement of Standalone Tangible and Intangible Assets (As Restated)**

(₹ In Lacs)										
Particulars	Gross Block			Depreciation and Amortization					Net Block	
	As on April 1, 2011	Additions During the Year	Deduction / Adjustments	As on Mar 31, 2012	Upto April 1, 2011	For the year	Deduction / Adjustments	Upto Mar 31, 2012	As on Mar 31, 2012	As on Mar 31, 2011
Office Building*	934.67	32.84	-	967.50	110.66	15.64	-	126.30	841.20	824.00
Plant & Machinery	3,503.75	298.87	-	3,802.62	1,295.44	208.14	-	1,503.59	2,299.04	2,208.31
Furniture & Fixtures	380.09	34.58	-	414.67	154.14	25.86	-	179.99	234.68	225.95
Motor Vehicle	232.54	18.14	15.01	235.68	76.10	21.90	11.19	86.80	148.88	156.44
<b>Total (A)</b>	<b>5,051.05</b>	<b>384.44</b>	<b>15.01</b>	<b>5,420.48</b>	<b>1,636.34</b>	<b>271.53</b>	<b>11.19</b>	<b>1,896.68</b>	<b>3,523.80</b>	<b>3,414.71</b>
Intangible Assets										
Computer Software	140.03	29.94	-	169.96	57.78	22.91	-	80.69	89.27	82.24
<b>Total (B)</b>	<b>140.03</b>	<b>29.94</b>	<b>-</b>	<b>169.96</b>	<b>57.78</b>	<b>22.91</b>	<b>-</b>	<b>80.69</b>	<b>89.27</b>	<b>82.24</b>
<b>Total Assets (A+B)</b>	<b>5,191.07</b>	<b>414.37</b>	<b>15.01</b>	<b>5,590.44</b>	<b>1,694.12</b>	<b>294.44</b>	<b>11.19</b>	<b>1,977.37</b>	<b>3,613.07</b>	<b>3,496.95</b>
Intangible assets under development **									6.74	5.35
<b>Total as on 31st Mar, 2012</b>									<b>3,619.80</b>	<b>3,502.30</b>
<b>Total as on 31st March, 2011</b>	<b>5,435.61</b>	<b>182.48</b>	<b>427.02</b>	<b>5,191.07</b>	<b>1,811.22</b>	<b>271.21</b>	<b>388.31</b>	<b>1,694.12</b>	<b>3,502.30</b>	<b>3,629.95</b>

\*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.

\*\* Intangible assets under development includes amount incurred for developing custom made software for Digital Content Management Rs.6.74 Lacs (Previous Year – Rs.5.35 Lacs)



**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - V D**

**Statement of Standalone Tangible and Intangible Assets (As Restated)**

Particulars	Gross Block			Depreciation and Amortization				Net Block		(₹ In Lacs)
	As on April 1, 2010	Additions During the Year	Deduction / Adjustments	As on Mar 31, 2011	Upto April 1, 2010	For the year	Deduction / Adjustments	Upto Mar 31, 2011	As on Mar 31, 2011	As on Mar 31, 2010
Office Building*	934.67	-	-	934.67	95.25	15.41	-	110.66	824.00	839.41
Plant & Machinery	3,756.10	125.64	377.99	3,503.75	1,465.13	189.75	359.44	1,295.44	2,208.31	2,290.97
Furniture & Fixtures	368.93	11.16	-	380.09	130.66	23.48	-	154.14	225.95	238.27
Motor Vehicle	238.02	43.55	49.03	232.54	82.78	22.18	28.87	76.10	156.44	155.23
<b>Total (A)</b>	<b>5,297.71</b>	<b>180.35</b>	<b>427.02</b>	<b>5,051.05</b>	<b>1,773.83</b>	<b>250.82</b>	<b>388.31</b>	<b>1,636.34</b>	<b>3,414.71</b>	<b>3,523.89</b>
Intangible Assets										
Computer Software	137.90	2.13	-	140.03	37.40	20.39	-	57.78	82.24	100.50
<b>Total (B)</b>	<b>137.90</b>	<b>2.13</b>	<b>-</b>	<b>140.03</b>	<b>37.40</b>	<b>20.39</b>	<b>-</b>	<b>57.78</b>	<b>82.24</b>	<b>100.50</b>
<b>Total Assets (A+B)</b>	<b>5,435.61</b>	<b>182.48</b>	<b>427.02</b>	<b>5,191.07</b>	<b>1,811.22</b>	<b>271.21</b>	<b>388.31</b>	<b>1,694.12</b>	<b>3,496.95</b>	<b>3,624.38</b>
Intangible assets under development **									5.35	5.57
<b>Total as on 31st Mar, 2011</b>									<b>3,502.30</b>	<b>3,629.95</b>
<b>Total as on 31st March, 2010</b>	<b>5,324.21</b>	<b>117.06</b>	<b>5.66</b>	<b>5,435.61</b>	<b>1,545.88</b>	<b>268.15</b>	<b>2.80</b>	<b>1,811.22</b>	<b>3,629.95</b>	<b>3,832.00</b>

\*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.

\*\* Intangible assets under development includes amount incurred for developing custom made software for Digital Content Management Rs.5.35 Lacs (Previous Year – Rs.5.57 Lacs)

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - V E**

**Statement of Standalone Tangible and Intangible Assets (As Restated)**

(₹ In Lacs)										
Particulars	Gross Block			Depreciation and Amortization					Net Block	
	As on April 1, 2009	Additions During the Year	Deduction / Adjustments	As on Mar 31, 2010	Upto April 1, 2009	For the year	Deduction / Adjustments	Upto Mar 31, 2010	As on Mar 31, 2010	As on Mar 31, 2009
Office Building*	934.67	-	-	934.67	80.03	15.22	-	95.25	839.41	854.63
Plant & Machinery	3,708.32	49.13	1.36	3,756.10	1,271.59	193.61	0.06	1,465.13	2,290.97	2,436.74
Furniture & Fixtures	368.93	-	-	368.93	107.31	23.35	-	130.66	238.27	261.62
Motor Vehicle	235.33	6.99	4.30	238.02	63.36	22.17	2.74	82.78	155.23	171.98
<b>Total (A)</b>	<b>5,247.25</b>	<b>56.12</b>	<b>5.66</b>	<b>5,297.71</b>	<b>1,522.28</b>	<b>254.35</b>	<b>2.80</b>	<b>1,773.83</b>	<b>3,523.89</b>	<b>3,724.97</b>
Intangible Assets										
Computer Software	76.95	60.94	-	137.90	23.59	13.80	-	37.40	100.50	53.36
<b>Total (B)</b>	<b>76.95</b>	<b>60.94</b>	<b>-</b>	<b>137.90</b>	<b>23.59</b>	<b>13.80</b>	<b>-</b>	<b>37.40</b>	<b>100.50</b>	<b>53.36</b>
<b>Total Assets (A+B)</b>	<b>5,324.21</b>	<b>117.06</b>	<b>5.66</b>	<b>5,435.61</b>	<b>1,545.88</b>	<b>268.15</b>	<b>2.80</b>	<b>1,811.22</b>	<b>3,624.38</b>	<b>3,778.33</b>
Intangible assets under development **									5.57	53.66
<b>Total as on 31st Mar, 2010</b>									<b>3,629.95</b>	<b>3,832.00</b>
<b>Total as on 31st March, 2009</b>	<b>5,239.59</b>	<b>110.51</b>	<b>25.90</b>	<b>5,324.21</b>	<b>1,275.28</b>	<b>286.28</b>	<b>15.69</b>	<b>1,545.88</b>	<b>3,832.00</b>	<b>4,015.54</b>

\*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.

\*\* Intangible assets under development includes amount incurred for developing custom made software for Digital Content Management Rs.5.57 Lacs (Previous Year – Rs.53.66 Lacs)

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - VI**

**Statement of Standalone Loans & Advances (As Restated)**

Particulars	As on March 31				
	2014	2013	2012	2011	2010
<b>Long-term loans and advances</b>					
<b>(a) Security Deposit</b>					
Unsecured Considered Good	78.76	75.01	60.62	31.62	11.67
<b>(b) Other loans and advances</b>					
Advance Income Tax (Net of Provisions for Taxation)	-	-	285.39	976.03	1,551.77
Loans to employees	1.86	7.23	33.60	19.80	-
Prepaid Expenses	3.91	-	5.43	12.49	-
<b>Total</b>	<b>84.54</b>	<b>82.24</b>	<b>385.04</b>	<b>1,039.93</b>	<b>1,563.43</b>

**SHEMAROO ENTERTAINMENT LIMITED****ANNEXURE - VII****Statement of Standalone Trade Receivables - Non Current (As Restated)**

(₹ In Lacs)

<b>Particulars</b>	<b>As on March 31</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Unsecured - Considered Good	-	330.54	345.54	1,764.02	-
<b>Total</b>	<b>-</b>	<b>330.54</b>	<b>345.54</b>	<b>1,764.02</b>	<b>-</b>

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - VIII**

**Statement of Standalone Trade Receivables - Current (As Restated)**

(₹ In Lacs)

Particulars	As on March 31				
	2014	2013	2012	2011	2010
Unsecured, Considered good unless stated otherwise					
a) Due for more than Six months	644.37	689.59	949.20	988.34	855.62
b) Other receivables	13,343.80	6,404.21	8,001.39	5,555.78	5,334.10
<b>Total</b>	<b>13,988.17</b>	<b>7,093.80</b>	<b>8,950.59</b>	<b>6,544.12</b>	<b>6,189.72</b>

Out of the above, amounts outstanding from subsidiaries is as follows:

(₹ In Lacs)

Particulars	As on March 31				
	2014	2013	2012	2011	2010
Shemaroo Entertainment Inc., USA	1.23	1.37	126.21	110.16	129.38
Shemaroo Entertainment (UK) Private Limited	43.39	-	9.82	9.27	9.29
Shemaroo Films Private Limited	-	-	-	-	-
<b>Total</b>	<b>44.62</b>	<b>1.37</b>	<b>136.03</b>	<b>119.43</b>	<b>138.67</b>

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - IX**

**Statement of Standalone Short Term Loans & Advances (As Restated)**

(₹ In Lacs)					
Particulars	As on March 31				
	2014	2013	2012	2011	2010
<b>Short-term loans and advances</b>					
(a) Loans and advances to Subsidiaries	179.57	17.79	117.79	103.58	21.49
Unsecured Considered Good					
(b) Other loans and advances					
Withholding and Other Taxes Receivable	161.36	156.61	83.08	83.08	30.05
Advances paid for Supply of Goods and Rendering of Services	1,488.00	2,133.44	1,915.52	2,611.84	2,340.08
Balance with Customs, Central Excise Authorities	106.91	106.91	109.69	109.69	109.69
Advances paid to Others	-	-	11.50	0.54	0.54
Prepaid Expenses	60.10	85.94	87.70	98.82	40.47
Loans to employees	23.45	25.35	4.94	13.92	37.25
Loans to Others	526.64	189.53	71.21	70.73	253.43
<b>Total</b>	<b>2,546.04</b>	<b>2,715.56</b>	<b>2,401.44</b>	<b>3,092.21</b>	<b>2,832.99</b>

Out of the above, amounts outstanding from subsidiaries is as follows:

(₹ In Lacs)					
Particulars	As on March 31				
	2014	2013	2012	2011	2010
Shemaroo Entertainment Inc., USA	-	-	-	-	-
Shemaroo Entertainment (UK) Private Limited	179.57	17.79	117.79	103.58	21.49
Shemaroo Films Private Limited	-	-	-	-	-
<b>Total</b>	<b>179.57</b>	<b>17.79</b>	<b>117.79</b>	<b>103.58</b>	<b>21.49</b>

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - X**

**Statement of Standalone Long Term Borrowings (As Restated)**

(₹ In Lacs)

Particulars	As on March 31				
	2014	2013	2012	2011	2010
<b>Secured</b>					
(a) Term loans from banks*	8.86	24.23	513.66	22.85	29.21
(b) Line of Credit	1,000.00	-	-	1,300.00	2,500.00
<b>Total</b>	<b>1,008.86</b>	<b>24.23</b>	<b>513.66</b>	<b>1,322.85</b>	<b>2,529.21</b>

**\*Term loans from banks**

(₹ In Lacs)

Name of the Bank/ Institution	Balance Outstanding as at 31st March, 2014	Rate of Interest (% P.a.)	Repayment Terms	Securities Offered
Kotak Mahindra Prime Ltd.	1.98	11.19	Balance Payable In Equal Twenty Installments	Car Loans are secured by Hypothecation of Vehicles acquired against the loan
Kotak Mahindra Prime Ltd.	6.88	9.96	Balance Payable In Equal Twenty One Installments	

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - XI**

**Statement of Standalone Short Term Borrowings(As Restated)**

(₹ In Lacs)

Particulars	As on March 31				
	2014	2013	2012	2011	2010
<b>Short Term Borrowings</b>					
(a) Working Capital Loans from Banks (Secured)	9,625.76	7,583.30	7,232.25	5,543.66	5,068.08
(b) Bank Overdraft					
Secured	-	-	-	-	-
Unsecured	1,138.57	764.27	579.81	517.65	391.22
(c) Loans and Advances (Unsecured)					
- Directors	375.45	795.75	374.30	453.50	1,107.00
- Inter Corporate Deposits	1,803.00	345.00	12.00	1,500.00	1,300.00
- Related Parties	15.75	248.25	250.00	275.00	224.00
- Others	1,156.00	1,255.00	320.00	-	-
<b>Total</b>	<b>14,114.53</b>	<b>10,991.58</b>	<b>8,768.36</b>	<b>8,289.82</b>	<b>8,090.30</b>

**Working Capital Loans from Banks**

(₹ In Lacs)

Name of the Bank/Institution	Balance Outstanding as at 31st March, 2014	Sanction Limits	Rate of Interest	Securities Offered
The Shamrao Vithal Co-op Bank Limited	3,953.46	4,000	At PLR Less 3.50%	1. First Pari Pasu Charge on Stock and Book Debts 2. First Pari Pasu Charge on Fixed Asset
NKGSB Co-op Bank Limited	2,419.32	2,500	At PLR Less 0.75%	
Bank of India	3,252.98	3,500	Base Rate + 3.15%	

**Bank Overdraft**

(₹ In Lacs)

Particulars	Rate of Interest on 31st March 2014 (%)	Rate of Interest (%)	Other Terms
From Banks	1,138.57	Daily overnight NSE MIBOR + 2%	Renewable as per the terms and conditions

**Loans and Advances (Unsecured)**

(₹ In Lacs)

Particulars	Balance as on 31st March 2014 (%)	Rate of Interest (%)	Other Terms
From Promoter Directors	254.15	12.50	-



From Directors	121.30	12.50	-
From relatives of Directors	15.75	12.50	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
From Others	36.00	10.00	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
From Others	1,120.00	12.00	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
Inter Corporate Deposits	223.00	12.00	Renewable as per the terms and conditions
Inter Corporate Deposits	1,235.00	14.00	Renewable as per the terms and conditions
Inter Corporate Deposits	70.00	15.00	Renewable as per the terms and conditions
Inter Corporate Deposits	25.00	18.00	Renewable as per the terms and conditions
Inter Corporate Deposits	250.00	18.50	Renewable as per the terms and conditions

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - XII**

**Statement of Standalone Other Current Liabilities(As Restated)**

(₹ In Lacs)

Particulars	As on March 31				
	2014	2013	2012	2011	2010
(a) Current Maturities of Long-Term debt (Secured)					
Term Loan from Banks*	15.37	19.47	23.12	31.78	243.05
(Term loans secured by hypothecation of the motor vehicles and machineries)					
(b) Line of Credit / Film Financing					
Secured	3,180.00	1,200.00	1,700.00	1,200.00	-
(Secured by hypothecation of specified negative prints and intellectual property rights, book debts / film negatives, personal guarantee of Directors)					
(c) Creditors for Capital Expenditure	38.48	7.33	42.68	2.44	9.00
(d) Interest Accrued and due	46.00	80.28	77.18	-	31.12
(e) Others*	387.53	568.53	548.79	954.32	476.12
* (includes Advance from customers, creditors for expenditure, deposit received , withholding and other taxes payables and other payables)					
<b>Total</b>	<b>3,667.37</b>	<b>1,875.60</b>	<b>2,391.76</b>	<b>2,188.53</b>	<b>759.29</b>

**Term Loan from Banks**

(₹ In Lacs)

Name of the Bank/ Institution	Balance Outstanding as at 31st March, 2014	Rate of Interest (% P.a.)	Repayment Terms	Securities Offered
Kotak Mahindra Prime Ltd.	3.00	11.56	Balance Payable In Equal Eleven Installments	Car Loans are secured by Hypothecation of Vehicles acquired against the loan
Kotak Mahindra Prime Ltd.	2.71	11.19	Balance Payable In Equal Twenty Installments	
Kotak Mahindra Prime Ltd.	8.41	9.96	Balance Payable In Equal Twenty One Installments	
Reliance Capital Limited	1.24	13.25	Balance Payable In Equal Eleven Installments	

**Line of Credit / Film Financing**

(₹ In Lacs)

Name of the Bank / Institution	Balance Outstanding as at 31st March 2014	Sanction Limits	Rate of Interest	Repayment Terms	Prepayment Terms	Penalty / Interest	Securities Offered
HDFC Bank Limited	425.00	925.00	HDFC bank's Base Rate (LTMLR) + 100 bps p.a	Bullet Repayment at the end of 12 months.	Prepayment allowed without any prepayment premium	Additional interest @ 2% p.a. payable on default in payment of any installment of principal amount.	Secured by lien on Third Party FMPs / Debt mutual funds.
HDFC Bank Limited	1,255.00	1,255.00	HDFC bank's Base Rate (LTMLR) + 100 bps p.a	Bullet Repayment at the end of 12 months.	Prepayment allowed without any prepayment premium	Additional interest @ 2% p.a. payable on default in payment of any installment of principal amount.	Secured by lien on Third Party FMPs / Debt mutual funds.
HDFC Bank Limited	1,500.00	1,500.00	HDFC bank's Base Rate (LTMLR) + 130 bps p.a	Bullet Repayment at the end of 12 months.	Prepayment allowed without any prepayment premium	Additional interest @ 2% p.a. payable on default in payment of any installment of principal amount.	Secured by lien on Third Party FMPs / Debt mutual funds.

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - XIII**

**Statement of Standalone Reserves and Surplus (As Restated)**

Particulars	As on March 31				
	2014	2013	2012	2011	2010
(₹ In Lacs)					
<b>a. Capital Reserves on Demerger</b>					
As per last Balance Sheet	-	-	1,081.32	1,491.46	1,491.46
Add: Addition during the year	-	-	-	-	-
a) Issue of Bonus Shares	-	-	(1,081.32)	(410.14)	-
<b>Total (A)</b>	-	-	-	<b>1,081.32</b>	<b>1,491.46</b>
<b>b. Securities Premium Account</b>					
As per last Balance Sheet	4,213.50	4,213.50	3,061.03	3,061.03	3,061.03
Add : Securities premium credited on Share issue	-	-	1,559.81	-	-
Less : Premium Utilised for Bonus Issue	-	-	(407.34)	-	-
<b>Total (B)</b>	<b>4,213.50</b>	<b>4,213.50</b>	<b>4,213.50</b>	<b>3,061.03</b>	<b>3,061.03</b>
<b>c. General Reserve</b>					
As per last Balance Sheet	1,800.11	1,738.40	1,685.86	1,590.94	1,590.94
(+) transferred as a result of demerger	-	-	-	-	-
Add: Transferred from Profit and loss account	69.88	61.71	52.54	94.92	-
Less: Transferred to Profit and loss account	-	-	-	-	-
<b>Total (C)</b>	<b>1,869.99</b>	<b>1,800.11</b>	<b>1,738.40</b>	<b>1,685.86</b>	<b>1,590.94</b>
<b>d. Surplus</b>					
As per last Balance Sheet	7,067.84	4,788.16	2,827.95	1,737.89	1,612.07
(+) Profit transferred as a result of demerger	-	-	-	-	-
(+) Adjustment on Prior period adjustments	-	-	-	-	-
(+) Profit / (Loss) for the year / period	2,795.03	2,457.50	2,128.11	1,291.25	125.83
(+) Transfer from General reserve	-	-	-	-	-
(-) Transfer to General reserve	(69.88)	(61.71)	(52.54)	(94.92)	-
(-) Proposed Dividends	(99.24)	(99.24)	(99.24)	(91.14)	-
(-) Dividend Tax	(16.87)	(16.87)	(16.10)	(15.14)	-
<b>Total (D)</b>	<b>9,676.89</b>	<b>7,067.84</b>	<b>4,788.16</b>	<b>2,827.95</b>	<b>1,737.89</b>
<b>Total (A + B + C + D)</b>	<b>15,760.38</b>	<b>13,081.46</b>	<b>10,740.07</b>	<b>8,656.16</b>	<b>7,881.33</b>

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - XIV**

**Statement of Standalone Share Capital (As Restated)**

Particulars	As on March 31				
	2014	2013	2012	2011	2010
(₹ In Lacs)					
Authorized:					
3,00,00,000 (March 31, 2012 30,00,00,000) Equity Shares of ₹ 10/- each	3,000.00	3,000.00	3,000.00	1,000.00	50.00
<b>Issued, Subscribed and Paid-up:</b>					
1,98,48,904 (March 31, 2012 1,98,48,904) Equity Shares of ₹ 10/- each fully paid-up.	1,984.89	1,984.89	1,984.89	455.71	45.57
<b>Total</b>	<b>1,984.89</b>	<b>1,984.89</b>	<b>1,984.89</b>	<b>455.71</b>	<b>45.57</b>

**The reconciliation of the number of shares outstanding as on: -**

Particulars	As on March 31				
	2014	2013	2012	2011	2010
(no.of shares In Lacs)					
Number of shares at the beginning	1,984.89	198.49	45.57	4.56	4.56
Add: Shares issued during the year					
:- For Cash	-	-	4.05	-	-
:- Bonus	-	-	148.87	41.01	-
:- Pursuant to Scheme of Arrangement	-	-	-	-	-
Number of shares at the end	1,984.89	198.49	198.49	45.57	4.56

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

(no.of shares In Lacs)

Name of Shareholder	Equity Shares									
	As at 31 March, 2014		As at 31 March, 2013		As at 31 March, 2012		As at 31 March, 2011		As at 31 March, 2010	
	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding
Mr. Raman Maroo	48.10	24.23	48.10	24.23	48.10	24.23	12.02	26.38	1.20	26.38
Mr. Atul Maru	48.10	24.23	48.10	24.23	48.10	24.23	12.02	26.38	1.20	26.38
Mr. Buddhichand Maroo	35.75	18.01	35.75	18.01	35.75	18.01	8.94	19.61	0.89	19.61
Technology And Media Group Pte. Ltd.	18.23	9.18	18.23	9.18	18.23	9.18	4.56	10.00	0.46	10.00
Mr. Hiren Gada	16.41	8.27	16.41	8.27	16.41	8.27	4.10	9.00	0.41	9.00
Mr. Jai Maroo	12.34	6.22	12.34	6.22	12.34	6.22	3.09	6.77	0.31	6.77
<b>Total Shareholding</b>	<b>178.92</b>	<b>90.14</b>	<b>178.92</b>	<b>90.14</b>	<b>178.92</b>	<b>90.14</b>	<b>44.73</b>	<b>98.15</b>	<b>4.47</b>	<b>98.15</b>

**SHEMAROO ENTERTAINMENT LIMITED**
**ANNEXURE - XV**
**Statement of Standalone Other Income (As Restated)**

(₹ In Lacs)

Particulars	As on March 31					Nature
	2014	2013	2012	2011	2010	
Interest on Bank Deposits	2.32	18.69	31.51	10.59	70.11	Recurring and related to business activity.
Interest on Others	63.15	7.40	3.82	41.86	29.59	Recurring and related to business activity.
Interest on Income Tax Refund	-	70.01	76.67	120.23	-	Non recurring and related to business activity.
Foreign Exchange Fluctuation Gain	60.91	33.54	88.64	(60.34)	(8.25)	Recurring and related to business activity.
Dividend	0.90	0.90	0.90	0.90	1.05	Recurring and related to business activity.
Credit Balances Written Back	2.46	2.99	11.41	3.45	3.58	Recurring and related to business activity.
Discount Received	0.49	-	-	0.00	0.97	Recurring and related to business activity.
Insurance Claim	-	-	-	-	0.51	Recurring and related to business activity.
Surrender of Key man policy and Property Rights	-	-	296.26	-	98.78	Non recurring and not related to business activity.
Awards Received	-	-	-	-	-	Non recurring and not related to business activity.
Rent Income	1.50	1.32	1.32	1.20	-	Recurring and not related to business activity.
Compensation for contract cancellation	2.50	-	-	-	-	Non recurring and related to business activity.
<b>Total</b>	<b>134.24</b>	<b>134.84</b>	<b>510.53</b>	<b>117.90</b>	<b>196.35</b>	

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE – XVI**

**Statement of Standalone Capitalization (As Restated)**

(₹ In Lacs)

Particulars	Pre-Issue as at 31/03/2014	As Adjusted for issue
<b>Debt</b>		
Short Term Debt – Secured (A)	9,625.76	9,625.76
Short Term Debt – Unsecured (B)	4,488.77	4,488.77
Current Maturities of Long Term Debt (Included in Other Current Liabilities) (C)	3,195.37	3,195.37
Long Term Debt from Banks (D)	1,008.86	1,008.86
<b>Total Debt (A)+(B)+(C)+(D)=(E)</b>	<b>18,318.76</b>	<b>18,318.76</b>
<b>Shareholders' Funds</b>		
Share Capital	1,984.89	2,718.23
Reserves and Surplus	<b>15,760.38</b>	<b>27,027.04</b>
<b>Total Shareholders' funds (F)</b>	<b>17,745.27</b>	<b>29,745.27</b>
<b>Long Term Debt / Equity {(C+D)/F}</b>	23.69%	14.13%
<b>Total Debt / Equity (E/F)</b>	103.23%	61.59%



**SHEMAROO ENTERTAINMENT LIMITED****ANNEXURE - XVII****Statement of Standalone Accounting & Other Ratios (As Restated)**

(₹ In Lacs)

Particulars		Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2012	Mar. 31, 2011	Mar. 31, 2010
<b>Earnings Per Share ( in ₹ )</b>						
Basic	A / B	14.08	12.38	10.79	7.08	0.69
Diluted	A / B	14.08	12.38	10.79	7.08	0.69
Net Profit / (Loss) after tax as restated attributable to equity shareholders	A	2,795.03	2,457.50	2,128.11	1,291.25	125.83
Weighted average no. of equity shares outstanding during the period/ year (in lakhs)	B	198.49	198.49	197.14	182.28	182.28
<b>Return on Net Worth (%)</b>	<b>A / C</b>	<b>15.75%</b>	<b>16.31%</b>	<b>16.72%</b>	<b>14.17%</b>	<b>1.59%</b>
Net Worth	C	17,745.27	15,066.35	12,724.96	9,111.87	7,926.90
Net asset value per equity share ( in ₹ )	C / D	89.40	75.91	64.11	49.99	43.49
No. of equity shares outstanding at the end of the year	D	198.49	198.49	198.49	182.28	182.28

\* During the financial year 2010-11, the company issued 9 Bonus shares in ratio of every 1 share held. Weighted Average Number of shares for Financial Year 2009-10, has been reworked taking into account the Bonus Factor. During the financial year 2011-12, the company issued 3 Bonus shares in ratio of every 1 share held. Weighted Average Number of shares for Financial Year 2010-11 & 2009-10, has been reworked taking into account the Bonus Factor.

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - XVIII**

**Statement of Standalone Tax Shelter (As Restated)**

(₹ In Lacs)

Sr. No	Particulars	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2012	Mar. 31, 2011	Mar. 31, 2010
<b>A</b>	Restated Profit Before Tax	4,429.51	3,744.24	2,904.74	1,660.80	128.12
<b>B</b>	Tax Rate	33.99%	32.45%	32.45%	33.22%	33.99%
<b>C</b>	Tax thereon at the above rate (A * B)	1,505.59	1,214.82	942.44	551.72	43.55
<b>D</b>	<b>Permanent Differences</b>					
	Donation Paid	(12.46)	(14.99)	(9.40)	(29.80)	
	Expenses disallowed under the Income Tax Act, 1961	(27.56)	(6.74)	(31.67)	(29.43)	(1.22)
	Capital Gain Income					(9.45)
	Dividend exempt u/s 10 (34) & (35) of the Income Tax Act, 1961	0.90	0.90	0.90	0.90	
	<b>Total Permanent Differences</b>	<b>(39.12)</b>	<b>(20.83)</b>	<b>(40.17)</b>	<b>(58.32)</b>	<b>(10.67)</b>
<b>E</b>	<b>Timing Differences</b>					
	Difference in Book Depreciation and Depreciation under Income Tax Act 1961	41.78	53.36	78.08	62.06	131.71
	Profit / (Loss) on sale of Fixed Assets	(0.08)	(0.55)	(2.49)	25.20	-
	Expenses disallowed under the Income Tax Act, 1961	888.50		(23.96)	(98.13)	-
	Provision of Leave Encashment u/s 43B	(18.23)	2.55	-	14.33	(3.61)
	Provision of Gratuity	(11.85)	-	-	23.74	0.01
	Less : - Difference due to expenses allowable/disallowable u/s 40 (a) (ia)			59.14		
	<b>Total Timing Differences</b>	<b>900.11</b>	<b>55.36</b>	<b>110.77</b>	<b>27.20</b>	<b>128.11</b>
<b>F</b>	<b>Net Adjustments (D+E)</b>	<b>860.99</b>	<b>34.53</b>	<b>70.60</b>	<b>(31.13)</b>	<b>117.44</b>
<b>G</b>	<b>Tax expense / (saving) thereon (F * B)</b>	292.65	11.20	22.91	(10.34)	39.92
	Considering the grounds of prudence, the tax savings (net) has not been recognized					
<b>H</b>	<b>Tax Liability (C+G)</b>	<b>1,212.94</b>	<b>1,203.62</b>	<b>919.53</b>	<b>562.06</b>	<b>3.63</b>
<b>I</b>	Interest under Section 234A, 234B and 234C of the Income Tax Act 1961	80.00	50.00	18.78		
<b>J</b>	<b>TOTAL TAX LIABILITY (H+I)</b>	<b>1,292.94</b>	<b>1,253.62</b>	<b>938.32</b>	<b>562.06</b>	<b>3.63</b>
<b>K</b>	Taxable Profit / (Loss) before Tax and after adjustments as Restated (A+F)	3,568.52	3,709.72	2,834.13	1,691.93	10.68
	Brought forward business loss adjusted			-	(858.56)	(1.23)
	Brought forward depreciation loss adjusted			-	(460.78)	(9.45)
<b>L</b>	<b>Taxable Income / (Loss)</b>	<b>3,568.52</b>	<b>3,709.72</b>	<b>2,834.13</b>	<b>372.59</b>	<b>(0.00)</b>
	Tax payable on Income	1,212.94	1,203.62	919.53	1,621.18	
	Mat credit set off	-	-	199.34		
	Taxable Income / (Loss) as per MAT	-	-	-	1,621.18	-
	<b>Tax as per Income tax as returned</b>	<b>1,212.94</b>	<b>1,203.62</b>	<b>720.19</b>	<b>323.11</b>	<b>-</b>
	Mat credit carried forward	-	-	-	199.34	-
	Carried forward business loss	-	-	-	-	(858.56)
	Carried forward depreciation loss	-	-	-	-	(460.78)
	Total carried forward loss as per return of the year	-	-	-	-	<b>(1,319.34)</b>

**SHEMAROO ENTERTAINMENT LIMITED****ANNEXURE - XIX****Statement of Standalone Contingent Liabilities (As Restated)**

Particulars	(₹ In Lacs)				
	As on March 31				
	2014	2013	2012	2011	2010
Bank Guarantee	20.00	12.00	5.00	1.63	1.63
Estimated amount of contracts remaining to be executed on capital account	-	5.00	5.00	1.25	0.48
Disputed Direct Tax Demands	75.24	-	-	-	202.97
Disputed Indirect Tax Demands	161.01	-	-	-	342.40
Legal Cases against the company	227.48	180.51	180.51	180.51	185.13
Uncalled liability on Partly Paid Shares	-	-	-	342.00	-
Bills of exchange discounted with Bank	-	-	4,332.19	1,980.00	495.00
<b>Total</b>	<b>483.73</b>	<b>197.51</b>	<b>4,522.70</b>	<b>2,505.39</b>	<b>1,227.60</b>

**SHEMAROO ENTERTAINMENT LIMITED****ANNEXURE - XX****Statement of Standalone Dividend declared (As Restated)**

(₹ In Lacs)

Particulars	As on March 31				
	2014	2013	2012	2011	2010
<b>Equity Dividend</b>					
Equity Share Capital (Face value Rs. 10/- per share)	1,984.89	1,984.89	1,984.89	455.71	-
Rate of Dividend	5%	5%	5%	20%	-
Amount of Dividend	99.24	99.24	99.24	91.14	-
Tax on Dividend	16.87	16.87	16.10	15.14	-

**SHEMAROO ENTERTAINMENT LIMITED****ANNEXURE - XXI****Statement of Standalone Investments as restated:**

Particulars	As on March 31				
	2014	2013	2012	2011	2010
<b>Long Term Investments</b>					
(a) Trade Investments (valued at cost)					
Unquoted equity instruments					
-Investment in Subsidiary Companies	130.96	130.96	30.96	30.96	30.96
-Investment in Associate Company	1,061.39	1,061.39	1,061.39	612.19	-
(b) Other Investments (valued at cost)	10.00	7.00	7.00	7.00	7.00
<b>Total</b>	<b>1,202.35</b>	<b>1,199.35</b>	<b>1,099.35</b>	<b>650.15</b>	<b>37.96</b>

(₹ In Lacs)

**SHEMAROO ENTERTAINMENT LIMITED****ANNEXURE - XXII****Statement of Standalone Inventories as restated:**

Particulars	(₹ In Lacs)				
	As on March 31				
	2014	2013	2012	2011	2010
<b>Inventories</b>					
- Copyrights	19,392.65	13,533.68	9,491.27	4,964.51	4,856.40
- Movies under Production	222.96	906.40	58.84	202.57	114.82
- Physical Stock including Blu Rays, DVDs, etc.	185.49	206.67	141.73	145.98	172.79
<b>Total</b>	<b>19,801.10</b>	<b>14,646.74</b>	<b>9,691.84</b>	<b>5,313.06</b>	<b>5,144.00</b>

## AUDITORS REPORT ON THE AUDITED AND RESTATED CONSOLIDATED FINANCIAL INFORMATION

**Date:** August 26, 2014

To,  
The Board of Directors of Shemaroo Entertainment Limited  
Shemaroo House,  
Plot No. 18,  
Marol Co-Operative Industrial Estate,  
Off. Andheri Kurla Road,  
Andheri- East,  
Mumbai- 400059  
India.

Dear Sirs,

**Re:** Proposed Initial Public Offering of equity shares of Shemaroo Entertainment Limited, (“**Company**”)

**Sub:** Report on Consolidated Restated Financial Information

1. This report is issued in accordance with the terms of our engagement letter dated June 25, 2014.
2. The accompanying consolidated restated financial information, expressed in Indian Rupees, in lacs, (“**Consolidated Restated Financial Information**”) of Shemaroo Entertainment Limited (hereinafter referred to as the “**Company**”, and its subsidiaries and associate (together referred to as the “**Group**”), comprising the financial information as detailed in paragraph A below and Other Financial Information as detailed in paragraph B below, has been prepared by the management of the Company in accordance with the requirements of the Companies Act, 2013 (hereinafter referred to as the “**Act**”) and Item (IX) of Part (A) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “**SEBI Regulations**”) issued by the Securities and Exchange Board of India (the “**SEBI**”) in connection with the proposed initial public offering of Equity Shares of the Company (the “**Issue**”) and has been approved by the Board of Directors and initialed by us for identification purposes. For the purposes of our examination, we have placed reliance on the audited financial statements of the Company as at and for the years ended on 31<sup>st</sup> March, 2014, 2013, 2012, 2011 and 2010, all expressed in Indian Rupees; and

### Managements’ Responsibility for the Consolidated Restated Financial Information

3. The preparation of the Consolidated Restated Financial Information, which is to be included in the Red Herring Prospectus (“**RHP**”) and Prospectus, is the responsibility of the Management of the Company, The Board of Directors’ responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Consolidated Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

### Auditors’ Responsibilities

4. Our work has been carried out in accordance with Generally Accepted Auditing Standards and in accordance with the (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India and pursuant to the requirements of the Act. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

#### A. Financial Information as per audited financial statements:

5. We have examined the following summarized financial statements of the Group contained in Consolidated Restated Financial Information of the Group:
  - a) the “Consolidated Restated Statement of Assets and Liabilities” as at 31<sup>st</sup> March, 2014, 2013, 2012, 2011 and 2010 (enclosed as **Annexure I**);
  - b) the “Consolidated Restated Statement of Profit and Loss” for the years ended on 31<sup>st</sup> March, 2014, 2013, 2012, 2011 and 2010 (enclosed as **Annexure II**); and

- c) the “Consolidated Restated Statement of Cash Flows” for the years ended on 31<sup>st</sup> March, 2014, 2013, 2012, 2011 and 2010 (enclosed as **Annexure III**).
6. The Consolidated Restated Financial information, expressed in Indian Rupees, in lacs, has been derived from the audited financial statements of the Group as at and for the years ended on 31<sup>st</sup> March, 2014, 2013, 2012, 2011 and 2010, all of which were, expressed in Indian Rupees.
7. We have not audited the financial statements of the Company for the year ended on March 31, 2010, the US subsidiary for the years ended on March 31, 2011 and 2010 and the UK subsidiary for the years ended on March 31, 2014, 2013, 2012, 2011 and 2010. The total assets and total revenues as reflected by these financial statements not audited by us are as below:

(Rupees in lacs)		
Financial year / Period	Total assets	Total revenues
2009-2010	7,779.58	10,370.28
2010-2011	(42.63)	331.80
2011-2012	(7.45)	132.54
2012-2013	(6.70)	147.09
2013-2014	(87.54)	71.88

8. These financial statements were audited by other auditors and we have relied on these audited financial statements and have not carried out any audit tests or review procedures on the same. Since we did not perform the audit for these financial statements, the financial information included for such years is solely based on the audit reports submitted by the respective statutory auditors for the relevant years, whose reports were furnished to us and our opinion in so far as it relates to the amounts included in respect of the Company and such subsidiaries is based solely on the reports of such other auditors.
9. We draw your attention to the following:
- a) the Consolidated Restated Financial Information should be read in conjunction with the Statement of Standalone Significant Accounting Policies and Notes to the Restated Statements enclosed as **Annexure IV**;
- b) the Consolidated Restated Financial Information does not contain all the disclosures required by the Accounting Standards, since such disclosure is not required for preparation and presentation of Consolidated Restated Financial Information.
10. We have not audited any financial statements of the Group as of any date or for any period subsequent to 31<sup>st</sup> March, 2014. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Group as of any date or for any period subsequent to 31<sup>st</sup> March, 2014.

## **B. Other Financial Information:**

11. At the Company’s request, we have also examined the following Other Financial Information relating to the Group as at and for the years ended on 31<sup>st</sup> March, 2014, 2013, 2012, 2011 and 2010 proposed to be included in the RHP, prepared by the management of the Company and as approved by the Board of Directors of the Company and annexed to this report:

Annexure	
Annexure IIA:	Reconciliation Statement between Audited Profit After Tax and Restated Profit After Tax
Annexure V A:	Statement of Consolidated Tangible and Intangible Assets as on March 31, 2014
Annexure V B:	Statement of Consolidated Tangible and Intangible Assets as on March 31, 2013
Annexure V C:	Statement of Consolidated Tangible and Intangible Assets as on March 31, 2012
Annexure V D:	Statement of Consolidated Tangible and Intangible Assets as on March 31, 2011
Annexure V E:	Statement of Consolidated Tangible and Intangible Assets as on March 31, 2010
Annexure VI:	Statement of Consolidated Loans & Advances
Annexure VII:	Statement of Consolidated Trade Receivables - Non Current
Annexure VIII:	Statement of Consolidated Trade Receivables – Current



Annexure IX:	Statement of Consolidated Short Term Loans & Advances
Annexure X:	Statement of Consolidated Long Term Borrowings
Annexure XI:	Statement of Consolidated Short Term Borrowings
Annexure XII:	Statement of Consolidated Other Current Liabilities
Annexure XIII:	Statement of Consolidated Reserves and Surplus
Annexure XIV:	Statement of Consolidated Share Capital
Annexure XV:	Statement of Consolidated Other Income
Annexure XVI:	Statement of Consolidated Capitalization
Annexure XVII:	Statement of Consolidated Accounting & Other Ratios
Annexure XVIII:	Statement of Consolidated Contingent Liabilities
Annexure XIX:	Statement of Consolidated Dividend declared
Annexure XX:	Statement of Consolidated Long term Investments
Annexure XXI:	Statement of Consolidated Inventories

## Opinion

12. In our opinion:
- the Consolidated Restated Financial Information of the Group, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation of financials information and respective significant accounting policies have been prepared in accordance to the Act and the SEBI Regulations;
  - adjustments have been made with retrospective effect to reflect the changes in accounting policies of the Group (as disclosed in Annexure IV to this report) to reflect the same accounting treatment as per the accounting policies as at 31<sup>st</sup> March, 2014 for all the reporting years;
  - the material adjustments relating to previous years have been adjusted in the years to which they relate;
  - there are no qualifications in the auditors' reports, which require any adjustments; and
  - there are no extra-ordinary items which need to be disclosed separately.
13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us and by another firm of chartered accountants on the financial statements of the Group.
14. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
15. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Yours faithfully,

**For: M. K. Dandeker & Co**  
**Firm Registration Number: 000679S**  
**Chartered Accountants**

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

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - I**

**Statement of Consolidated Assets and Liabilities (As Restated)**

(₹ in lacs)

Particulars	As on March 31				
	2014	2013	2012	2011	2010
<b>1 Non-Current Assets</b>					
Fixed Assets					
(i) Tangible Assets	3,318.27	3,425.61	3,524.00	3,414.97	3,524.26
(ii) Intangible Assets	92.74	80.22	89.27	82.24	100.50
(iii) Intangible assets under development	-	13.19	6.74	5.35	5.57
Non – Current Investments	894.33	879.37	990.27	615.17	7.00
Long-Term Loans and Advances	84.54	94.62	397.83	1,040.33	1,563.43
Trade Receivables	-	330.54	345.54	1,764.02	-
<b>Other Non-Current Assets</b>					
In Fixed Deposits	4.50	4.50	4.50	146.50	4.50
(maturity of more than 1 year)					
<b>Total Non - Current Assets – 1</b>	<b>4,394.38</b>	<b>4,828.05</b>	<b>5,358.15</b>	<b>7,068.57</b>	<b>5,205.25</b>
<b>2 Current Assets</b>					
Inventories	20,050.90	14,646.74	9,691.84	5,313.06	5,144.00
Trade Receivables	14,055.39	7,093.52	9,125.95	6,680.59	6,078.53
Cash and Cash Equivalents	92.55	112.65	654.23	696.31	1,857.86
Short-Term Loans and Advances	2,426.55	2,699.40	2,289.40	2,996.50	2,811.80
Other Current Assets	216.63	146.69	125.36	-	28.59
<b>Total Current Assets – 2</b>	<b>36,842.02</b>	<b>24,699.00</b>	<b>21,886.79</b>	<b>15,686.47</b>	<b>15,920.78</b>
<b>3 Non-Current Liabilities</b>					
Long-Term Borrowings	1,008.86	24.23	513.66	1,322.85	2,529.21
Long-Term Provisions	62.21	45.30	48.11	37.01	13.14
Deferred Tax Liabilities (Net)	847.90	507.55	486.34	449.46	403.68
<b>Total Non - Current Liabilities – 3</b>	<b>1,918.97</b>	<b>577.08</b>	<b>1,048.11</b>	<b>1,809.32</b>	<b>2,946.03</b>
<b>4 Current Liabilities</b>					
Short-Term Borrowings	14,114.53	10,991.58	8,768.36	8,289.82	8,090.30
Trade Payables	3,064.46	898.66	2,284.16	1,248.73	1,505.60
Other Current Liabilities	3,800.77	1,792.59	2,415.75	2,204.85	779.60
Short-Term Provisions	892.15	429.45	118.91	168.06	24.93
<b>Total Current Liabilities – 4</b>	<b>21,871.91</b>	<b>14,112.27</b>	<b>13,587.18</b>	<b>11,911.46</b>	<b>10,400.42</b>
<b>Net Worth - 1 + 2 - 3 - 4</b>	<b>17,445.52</b>	<b>14,837.70</b>	<b>12,609.66</b>	<b>9,034.26</b>	<b>7,779.58</b>
<b>5 Shareholders' Funds</b>					
<b>(A) Share Capital</b>					
Equity Share Capital	1,984.89	1,984.89	1,984.89	455.71	45.57
<b>(B) Reserves and Surplus</b>					
Capital Reserves on Demerger	-	-	-	1,081.32	1,491.46

Securities Premium Account	4,213.50	4,213.50	4,213.50	3,061.03	3,061.03
Foreign Currency Translation Reserve	(2.07)	0.79	0.83	4.13	6.60
General Reserve	1,869.71	1,800.10	1,738.40	1,685.86	1,590.94
Credit Balance of Statement of Profit and Loss	9,379.48	6,838.41	4,672.03	2,746.21	1,583.97
<b>Net Worth</b>	<b>17,445.52</b>	<b>14,837.70</b>	<b>12,609.66</b>	<b>9,034.26</b>	<b>7,779.58</b>

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - II**

**Statement of Consolidated Profits and Loss (As Restated)**

		(₹ in lacs)				
Particulars		For the year ended March 31				
		2014	2013	2012	2011	2010
<b>1</b>	Revenue From Operations	26,460.79	21,473.90	18,201.11	15,824.39	10,167.84
<b>2</b>	Other Income	134.25	135.02	510.54	117.91	196.36
<b>3</b>	<b>Total Revenue (1 + 2)</b>	<b>26,595.03</b>	<b>21,608.92</b>	<b>18,711.65</b>	<b>15,942.30</b>	<b>10,364.20</b>
<b>4</b>	<b>Expenses:</b>					
	Direct Operational Expenses	22,028.03	17,672.58	14,927.96	10,364.20	6,229.42
	Changes in inventories	(5,402.47)	(4,954.90)	(4,378.78)	(169.05)	229.36
	Employee benefit expense	1,853.62	1,646.75	1,481.35	995.81	873.12
	Other expenses	1,547.32	1,373.65	1,515.67	1,213.14	1,083.76
	<b>Total (a)</b>	<b>20,026.50</b>	<b>15,738.08</b>	<b>13,546.20</b>	<b>12,404.10</b>	<b>8,415.65</b>
<b>5</b>	<b>Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) (3 -4)</b>	<b>6,568.53</b>	<b>5,870.84</b>	<b>5,165.45</b>	<b>3,538.20</b>	<b>1,948.55</b>
<b>6</b>	Finance costs (b)	1,922.80	1,830.79	1,926.48	1,529.85	1,646.02
<b>7</b>	Depreciation and amortization expense ( c)	296.43	298.21	294.53	271.34	268.58
<b>8</b>	<b>Total Expenses (a+b+c)</b>	<b>22,245.72</b>	<b>17,867.08</b>	<b>15,767.22</b>	<b>14,205.29</b>	<b>10,330.25</b>
<b>9</b>	<b>Profit / (Loss) Before Tax (5 - 6- 7)</b>	<b>4,349.31</b>	<b>3,741.84</b>	<b>2,944.43</b>	<b>1,737.01</b>	<b>33.95</b>
<b>10</b>	<b>Tax Expense:</b>					
	(1) Current Tax	1,293.25	1,264.56	938.32	323.11	-
	Less : MAT Credit	-	-	(199.34)	-	-
	(2) Fringe Benefit Tax	-	-	-	-	-
	(3) Deferred Tax	340.34	21.22	36.88	45.79	1.21
	(4) Wealth Tax	0.89	0.96	0.78	0.66	1.08
	<b>Total Tax Expense</b>	<b>1,634.48</b>	<b>1,286.74</b>	<b>776.63</b>	<b>369.55</b>	<b>2.29</b>
<b>11</b>	<b>Restated Profit after Tax (9 - 10)</b>	<b>2,714.83</b>	<b>2,455.10</b>	<b>2,167.80</b>	<b>1,367.46</b>	<b>31.66</b>
<b>12</b>	<b>Share of Profit / (Loss) in Associate Company</b>	<b>11.96</b>	<b>(110.90)</b>	<b>(74.09)</b>	<b>(4.02)</b>	<b>-</b>
<b>13</b>	<b>Profit for the year after adjusting Profit / (Loss) of Associate Company</b>	<b>2,726.78</b>	<b>2,344.19</b>	<b>2,093.71</b>	<b>1,363.44</b>	<b>31.66</b>
<b>14</b>	<b>Earnings Per Equity Share:</b>					
	(1) Basic	13.74	11.81	10.62	7.48	0.17
	(2) Diluted	13.74	11.81	10.62	7.48	0.17

**SHEMAROO ENTERTAINMENT LIMITED****ANNEXURE - IIA****Reconciliation Statement between Audited Profit after Tax and Restated Profit after Tax:**

(₹ In Lacs)

Particulars	For the year ended March 31				
	2014	2013	2012	2011	2010
<b>Profit after Tax as per Audited Profit &amp; Loss Account</b>	2,715.84	2,355.14	2,067.36	1,371.36	35.17
<b><u>Adjustments on account for:</u></b>					
Leave Encashment	-	-	-	14.33	(3.61)
Gratuity	-	-	-	23.74	0.01
Wealth Tax	-	-	-	-	(1.08)
Prior Period Items	10.95	(10.95)	26.35	(33.64)	-
Deferred Tax Asset/(Liability)	-	-	-	(12.35)	1.17
<b>Total</b>	<b>2,726.78</b>	<b>2,344.19</b>	<b>2,093.71</b>	<b>1,363.44</b>	<b>31.66</b>

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - III**

**Statement of Consolidated Cash Flow (As Restated)**

(₹ in lacs)

Particulars	For the year ended March 31				
	2014	2013	2012	2011	2010
<b>A Cash flow from operating Activities</b>					
Net profit / (loss) before tax	4,349.31	3,741.84	2,944.43	1,737.01	33.95
Adjustments for :					
Depreciation and amortization	296.43	298.21	294.53	271.34	276.43
Financial Expenses	1,922.80	1,830.79	1,926.48	1,529.85	1,646.02
Interest Income	(65.47)	(96.10)	(112.00)	(172.69)	(99.71)
Dividend Income	(0.90)	(0.90)	(0.90)	(0.90)	(1.05)
(Profit) / Loss on sale of Fixed Assets	0.08	0.55	2.49	(25.20)	2.17
Liabilities no longer required written back	2.46	2.99	-	-	-
Provision for Taxation	-	-	(0.78)	(0.66)	-
Unrealised Foreign Exchange (Gain)/Loss	(25.28)	41.64	(54.32)	71.26	15.85
Loss / (Gain) on translation of foreign currency monetary assets and liabilities	-	-	-	-	(2.44)
Provision for Leave Encashment	18.23	(2.55)	11.25	24.66	3.61
Provision for Gratuity	11.85	-	-	35.40	(0.01)
Non Cash Expenses			-	21.62	-
<b>Operating profit / (loss) before working capital changes</b>	<b>6,509.51</b>	<b>5,816.46</b>	<b>5,011.18</b>	<b>3,491.70</b>	<b>1,874.82</b>
Adjustments for -					
Decrease / (Increase) in inventories	(5,191.22)	(4,954.90)	(4,378.78)	(169.05)	229.36
Decrease / (Increase) in Trade and Other receivables	(6,422.19)	1,507.69	(166.65)	(2,063.68)	(1,736.74)
(Decrease) / Increase in liabilities and provisions	4,013.72	(1,754.59)	1,172.79	1,220.23	831.42
<b>Cash generated from / (used in) operations</b>	<b>(1,090.17)</b>	<b>614.66</b>	<b>1,638.54</b>	<b>2,479.19</b>	<b>1,198.86</b>
Direct taxes (paid)/ Refund Received (Net)	(847.00)	(721.78)	(183.45)	(205.10)	(2.38)
<b>Net cash from / (used in) operating activities</b>	<b>(1,937.17)</b>	<b>(107.12)</b>	<b>1,455.09</b>	<b>2,274.10</b>	<b>1,196.48</b>
<b>B Cash flow from investing activities</b>					
Proceeds from sale of Fixed Assets	0.34	1.31	3.81	38.71	2.86
Proceeds from sale of investments	-	-	-	-	-
Profit / (Loss) on sale of Fixed Assets	-	(0.55)	(2.49)	25.20	(2.17)
Purchase of Fixed assets including Capital WIP and Intangible assets under development	(188.77)	(198.55)	(415.76)	(182.26)	(69.34)
(Increase) / Decrease of fixed deposits	-	-	142.00	(342.00)	-
Dividend Income	0.90	0.90	0.90	0.90	1.05
Interest Income	65.47	96.10	112.00	172.69	99.71
Investments made in bank shares	(3.00)	-	-	-	-
Investments made in Associate Company	-	-	(449.20)	(612.19)	-
<b>Net cash used in investing activities</b>	<b>(125.05)</b>	<b>(100.79)</b>	<b>(608.73)</b>	<b>(898.94)</b>	<b>32.11</b>
<b>C Cash flow from financing activities</b>					
Issue of Shares for cash	-	-	40.51	-	-

Premium collected in cash on issue of of Share Capital	-	-	<b>1,559.81</b>	-	-
Share Application money pending allotment	-	-	-	-	-
Increase / (Decrease) of Long term Borrowings	984.63	(489.43)	(809.19)	(1,206.36)	(238.68)
Increase / (Decrease) of Short term Borrowings	3,166.34	2,123.21	478.54	199.52	993.12
Dividend Paid	(99.24)	(99.24)	(91.14)	-	-
Tax on Dividend Paid	(16.87)	(16.10)	(15.14)	-	-
Financial Expenses	(1,922.80)	(1,830.79)	(1,926.48)	(1,529.85)	(1,646.02)
Unamortised Expenses paid towards Fund Raising	(69.95)	(21.33)	(125.36)	-	-
<b>Net cash provided by financing activities</b>	<b>2,042.12</b>	<b>(333.68)</b>	<b>(888.44)</b>	<b>(2,536.70)</b>	<b>(891.59)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(20.10)</b>	<b>(541.59)</b>	<b>(42.08)</b>	<b>(1,161.55)</b>	<b>337.00</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>112.65</b>	<b>654.23</b>	<b>696.31</b>	<b>1,857.86</b>	<b>1,520.86</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>92.55</b>	<b>112.65</b>	<b>654.23</b>	<b>696.31</b>	<b>1,857.86</b>

## **SHEMAROO ENTERTAINMENT LIMITED**

### **ANNEXURE - IV**

#### **Statement of Consolidated Significant Accounting Policies and Notes to the Restated Financial Statements**

##### **1) Background**

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

**i) The Company has the following subsidiaries/associate concern:**

Sr.No.	Name of Company	Relationship	Date of Incorporation / Acquisition	Country of Incorporation	AS AT MARCH 31,				
					2014	2013	2012	2011	2010
1	Shemaroo Entertainment Inc.	Subsidiary	15th March, 2007	United States of America	100%	100%	100%	100%	100%
2	Shemaroo Entertainment (UK) Pvt. Ltd	Subsidiary	8th July, 2009	United Kingdom	100%	100%	100%	100%	100%
3	Vistaas Digital Media Private Limited	Associate	17th September, 2009	India	50%	50%	50%	50%	N.A.
4	Sheamroo Films Private Limited	Subsidiary	31st October, 2012	India	100%	100%	N.A.	N.A.	N.A.

ii) During the financial year 2011-12 & 2010-11, the Company has acquired 50% stake in Vistaas Digital Media Pvt. Ltd. by purchasing 45000 equity shares for consideration of Rs. 10,61,38,770/-

##### **2) Nature of Operations**

Shemaroo Entertainment Limited ('the Company') is engaged in the business of Aggregation, Production or Co-Production of Cinematograph Films, Dramas, and subsequently exploiting and distributing rights of Films, Dramas across the world through various medium such as television licensing , DVD and VCD release, exploiting various rights of the content through new distribution avenues such as IPTV, VOD and mobile platform. The Company houses state-of-the-art studio facilities, equipped with highly sophisticated studio hardware and software.



### **3) SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Basis of preparation of Consolidated Financial Statements:**

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

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

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

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

ii) In respect of associate companies, the financial statements have been consolidated as per Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" following the Equity Method for Consolidation of Associates.

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

iv) The results of operations of a subsidiary are included in the Consolidated Financial Statements from the date on which the parent-subsidiary relationship comes into existence. The results of operation of a subsidiary with which the parent-subsidiary relationship ceases to exist are included in the consolidated statement of profit and loss until the date of cessation of the relationship. The difference between the proceeds from the disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as on the date of disposal are recognised as profit or loss on disposal of investment in the subsidiary.

v) The translations of financial statements into Indian Rupees relating to non-integral foreign operations have been carried out using the following procedures:  
– assets and liabilities have been translated at closing exchange rates at the year end; and  
– income and expenses have been translated at an average of monthly exchange rates.  
The resultant translation exchange gain/(loss) has been disclosed as Foreign Currency Translation Reserve under Reserves and Surplus.

vi) The Notes and Significant Accounting Policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Group has disclosed such notes and policies, which represent the requisite disclosure.

#### **b) Use of Estimates**

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

### c) **Fixed Assets**

i) Fixed assets are stated at cost of acquisition less accumulated depreciation. The group capitalises all costs relating to the acquisition and installation of fixed assets.

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

### d) **Depreciation**

i) Depreciation is provided based on management estimate of useful lives of the fixed assets, on the straight line method prorata to the period of use or at the rates prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher. The management has estimated the useful life of Plant & Machinery to be 12 years (lower useful life than that prescribed by Schedule XIV of the Companies Act, 1956). However, it was not practicable to use uniform accounting policies for depreciation in the case of following subsidiaries:

Asset Head	Depreciation Rules
	<b>Shemaroo Entertainment (UK) Private Limited</b>
Plant & Machinery	33.33%

iii) Fixed Assets individually costing less than Rs. 5,000 or less are fully depreciated in the year of acquisition.

### e) **Investments**

Investments are classified into Current and Long Term Investments. Long term investments (including joint ventures) are stated at cost, except where there is a diminution in value other than temporary, in which case requisite provision is made to write down the carrying value to recognize such decline. Current investments are stated at cost.

### f) **Inventories**

i. 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.

ii. Inventories of Under-production films are valued at cost.

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

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

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

### g) **Revenue Recognition**

i. Sales of ACDs / VCDs / DVDs /ACS are recognised when goods are supplied and are recorded net of returns, trade discounts, rebates and indirect taxes.

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

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

iv. Services are recognized when the contractual commitments are delivered in full and are recorded net of returns, trade discounts, rebates and indirect taxes.

- v. Revenues relating to complete Feature Films are recognised in the year of release of feature films.
- vi. Revenue pertaining to release of music of film is recognized on the date of its release.
- vii. Dividend income is recognised when the right to receive the same is established.
- viii. Interest Income is recognised on a time proportion basis.

#### **h) Purchase of Rights**

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

#### **i) Employee Benefits**

##### **Defined contribution plan**

The Company's contributions to Employees Provident Fund, Employees Pension Fund and cost of other benefits are charged to Profit and Loss Account on actual cost to the Company on accrual basis each year.

##### **Defined benefit plan**

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

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

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

#### **j) Borrowing Cost**

Borrowing Costs that are directly attributable to the acquisition and construction of qualifying assets are capitalized as a part of the cost of the respective assets up to the date, when such asset is ready for its intended use. Other borrowing costs are charged to the profit and loss account in the year in which they are incurred except Bill Discounting charges which have been carried forward on time proportion basis.

#### **k) Foreign Currency Transaction**

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

#### **l) Taxation**

##### **i. Current Tax**

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Current Tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

## **ii. Deferred Tax**

Deferred Tax is recognised on timing differences; being the differences between the taxable incomes and accounting incomes that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. The tax effect is calculated on the accumulated timing difference at the yearend based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

## **m) Earnings Per Share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

## **n) Impairment of Assets**

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

## **o) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

## **p) Unamortised Expenses - Proposed Share Issue Expenses**

The "Unamortised Expenses - Proposed Share Issue Expenses" includes various expenditure incurred by the Company towards proposed fund raising through public issue of equity shares of the Company (IPO). The said amount shall be written-off as per the provisions of the Companies Act, 1956.

## **4) Notes To Accounts -**

### **1) Related Parties disclosure as per AS 18 is as follows :**

#### **a) Details of the names of related parties and nature of relationships :**

##### **Entity having common control -**

Shemaroo Holdings Private Limited

Shemaroo Trading Corporation

Shemaroo (Warden Road)

Shemaroo Corporation (formerly known as Shemaroo (Petit Hall))

Think Walnut Digital Private Limited  
Sneha Arts  
Technology and Media Group Pte Ltd.  
Taurean Estate Development LLP

**Associate -**

Vistaas Digital Media Private Limited

**Key Management Personnel -**

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

**Relative of Key Management Personnel -**

Atul Maroo (HUF)  
Buddhichand H. Maroo (HUF)  
Raman H. Maroo (HUF)  
Ms. Leelaben Maroo  
Ms. Kastur Maroo  
Ms. Sangita Maru  
Ms. Radhika Dewan  
Ms. Nirvi Maru  
Ms. Urvi Maru  
Ms. Madhuri Gada

**b) Transactions with Related Parties :****(₹ In Lacs)**

Particulars	For the year ended March 31				
	2014	2013	2012	2011	2010
<b>1) Transactions with Entities having common control</b>					
Dividend Proposed (Net of Dividend Distribution Tax)	9.11	9.11	9.11	-	-
Interest Paid	4.70	29.27	32.65	46.05	37.04
Loans Taken	-	29.00	-	37.00	224.00
Other Income (Rent Received)	1.50	1.32	1.32	1.20	-
Other Income (Sale of Keyman Insurance)	-	-	-	-	-
Personal Guarantees Taken against Bank Loans	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	0.31	2.16
Purchase of goods & services	162.90	169.10	72.24	0.01	0.07
Salaries	-	-	-	-	-
Sales of goods & services	-	-	-	4.32	4.96
<b><u>Balances outstanding</u></b>					
Receivable	0.14	-	-	-	-
Payables	29.40	34.59	44.68	-	-
Loans / Deposits	-	258.84	245.39	261.00	224.00
<b>2) Transactions with Associates</b>					
Director's Remuneration	-	-	-	-	-
Dividend Proposed (Net of Dividend Distribution Tax)	-	-	-	-	-
Interest Paid	-	-	-	-	-
Investments done during the period / year	-	-	449.20	612.19	-
Loans Given	-	-	-	-	-
Loans Taken	-	-	-	-	-
Other Income (Rent Received)	-	-	-	-	-
Other Income (Sale of Keyman Insurance)	-	-	-	-	-
Personal Guarantees Taken against Bank Loans	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	-	-
Purchase of goods & services	83.28	35.34	19.50	-	-
Salaries	-	-	-	-	-
Sales of goods & services	-	-	1.15	-	-

**Balances outstanding**

Receivable	-	-	1.03	-	-
Payables	44.50	23.34	-	-	-
Loans / Deposits	-	-	-	-	-

**3) Transactions with Key Management Personnel & Relatives of Key Management Personnel**

Director's Remuneration	116.35	115.21	116.20	100.63	150.32
Dividend Proposed (Net of Dividend Distribution Tax)	82.03	82.03	82.03	-	-
Interest Paid	57.72	58.38	56.39	213.14	40.08
Directors Sitting Fees	1.20	1.00	1.40		
Investments done during the period / year	-	-	-	-	-
Loans Given	-	-	-	-	-
Loans Taken	304.97	1,272.75	424.00	578.00	1,136
Other Income (Rent Received)	-	-	-	-	-
Other Income (Sale of Keyman Insurance)	-	-	296.26	-	83.48
Personal Guarantees Taken against Bank Loans	54,450.00	45,750.00	82,760.00	50,620.00	38,340.00
Purchase of Fixed Assets	-	-	-	-	-
Purchase of goods & services	-	-	-	-	-
Salaries	165.35	155.46	166.85	19.92	18.05
Sales of goods & services	-	-	-	-	-

**Balances outstanding**

Receivable	11.26	14.50	14.50	-	-
Payables	-	-	-	-	-
Loans / Deposits	391.20	858.36	455.93	467.50	1,107.00

## 2) Earnings Per Share (EPS) :

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the reporting period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive. The earnings per share is calculated as under:

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2014	2013	2012	2011	2010
Profit / (Loss) after Tax (As restated)	2,726.78	2,344.19	2,093.71	1,363.44	31.66
Weighted average number of Equity Shares outstanding at the end of the year (in lakhs)					
Basic *	198.49	198.49	197.14	182.28	182.28
Diluted *	198.49	198.49	197.14	182.28	182.28
Nominal value of shares (in Rupees) **	10.00	10.00	10.00	10.00	10.00
<u>Earnings Per Share (in Rupees)</u>					
Basic	13.74	11.81	10.62	7.48	0.17
Diluted	13.74	11.81	10.62	7.48	0.17

\* During the financial year 2011-12, the Company issued 3 Bonus shares in ratio of every 1 share held. Weighted Average Number of shares for Financial Year 2011-12, 2010-11 and 2009-10, has been reworked taking into account the Bonus Factor.

\* During the financial year 2010-11, the Company issued 9 Bonus shares in ratio of every 1 share held. Weighted Average Number of shares for Financial Year 2010-11 and 2009-10, has been reworked taking into account the Bonus Factor.

\*\* The face value of the Equity Shares was Rs. 100/- for the year ended March 31st, 2007. However w.e.f. March 31st, 2008 onwards Equity Shares Rs.100/- each was sub divided into 10 Equity Shares of Rs. 10/- each. Hence for the restatement purpose, face value of Equity Shares of Rs. 10/- each is considered for Financial Year 2010-11 and 2009-10.

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

4) The scheme sanctioned by the Hon'ble High Court of Bombay order dated March 7, 2008 by which it approved the Demerger of the whole of entertainment business of Shemaroo Entertainment Private Limited ("Transferor Company") to Shemaroo Holdings Private Limited ("Transferee Company") and also effected the interchange of the names of the companies i.e the name of the Transferee Company had been changed to Shemaroo Entertainment Private Limited, of the Transferor Company was changed to Shemaroo Holdings Private Limited, currently our Group Company. Prior to the transfer there was no business carried on by the Company.

5) The Company's major line of business is dealing in various types of copyrights. Due to the multiplicity and complexity of items, it is not practicable to maintain the quantitative record/continuous stock register for various types of Copyrights. Hence, the quantitative details for copyrights are not maintained by the Company as is the practice generally followed by companies in the industry. Physical stock is taken at the end of the year.



**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - V A**

**Statement of Consolidated Tangible and Intangible Assets (As Restated)**

Particulars	(₹ In Lacs)									
	Gross Block			Depreciation and Amortization				Net Block		
	As on April 1, 2013	Additions During the Period	Deduction / Adjustments	As on Mar 31, 2014	Upto April 1, 2013	For the year	Deduction / Adjustments	Upto Mar 31, 2014	As on Mar 31, 2014	As on Mar 31, 2013
Office Building*	967.50	14.46	-	981.96	142.05	15.95	-	158.01	823.95	825.45
Plant & Machinery	3,931.82	145.27	0.53	4,076.71	1,711.48	198.80	0.10	1,910.25	2,166.45	2,220.34
Furniture & Fixtures	414.96	-	-	414.96	206.24	26.27	-	232.51	182.45	208.72
Motor Vehicle	277.99	0.62	-	278.61	106.88	26.32	-	133.20	145.41	171.11
<b>Total (A)</b>	<b>5,592.27</b>	<b>160.34</b>	<b>0.53</b>	<b>5,752.24</b>	<b>2,166.65</b>	<b>267.34</b>	<b>0.10</b>	<b>2,433.97</b>	<b>3,318.27</b>	<b>3,425.61</b>
Intangible Assets										
Computer Software	186.55	41.62	-	228.17	106.33	29.09	-	135.42	92.74	80.22
<b>Total (B)</b>	<b>186.55</b>	<b>41.62</b>	<b>-</b>	<b>228.17</b>	<b>106.33</b>	<b>29.09</b>	<b>-</b>	<b>135.42</b>	<b>92.74</b>	<b>80.22</b>
<b>Total Assets (A+B)</b>	<b>5,778.82</b>	<b>201.96</b>	<b>0.53</b>	<b>5,980.40</b>	<b>2,272.99</b>	<b>296.43</b>	<b>0.10</b>	<b>2,569.39</b>	<b>3,411.01</b>	<b>3,505.83</b>
Intangible assets under development **									-	13.19
<b>Total as on 31st March, 2014</b>									<b>3,411.01</b>	<b>3,519.02</b>
<b>Total as on 31st March, 2013</b>	<b>5,590.89</b>	<b>192.09</b>	<b>4.15</b>	<b>5,778.82</b>	<b>1,977.62</b>	<b>298.21</b>	<b>2.84</b>	<b>2,272.99</b>	<b>3,519.02</b>	<b>3,620.00</b>

\*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.

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - V B**

**Statement of Consolidated Tangible and Intangible Assets (As Restated)**

Particulars	Gross Block			Depreciation and Amortization				Net Block		(₹ In Lacs)
	As on April 1, 2012	Additions During the Period	Deduction / Adjustments	As on Mar 31, 2013	Upto April 1, 2012	For the year	Deduction / Adjustments	Upto Mar 31, 2013	As on Mar 31, 2013	As on Mar 31, 2012
Office Building*	967.50	-	-	967.50	126.30	15.75	-	142.05	825.45	841.20
Plant & Machinery	3,803.07	128.76	-	3,931.82	1,503.83	207.65	-	1,711.48	2,220.34	2,299.24
Furniture & Fixtures	414.67	0.29	-	414.96	179.99	26.25	-	206.24	208.72	234.68
Motor Vehicle	235.68	46.45	4.15	277.99	86.80	22.92	2.84	106.88	171.11	148.88
<b>Total (A)</b>	<b>5,420.92</b>	<b>175.50</b>	<b>4.15</b>	<b>5,592.27</b>	<b>1,896.93</b>	<b>272.57</b>	<b>2.84</b>	<b>2,166.65</b>	<b>3,425.61</b>	<b>3,524.00</b>
Intangible Assets										
Computer Software	169.96	16.58	-	186.55	80.69	25.64	-	106.33	80.22	89.27
<b>Total (B)</b>	<b>169.96</b>	<b>16.58</b>	<b>-</b>	<b>186.55</b>	<b>80.69</b>	<b>25.64</b>	<b>-</b>	<b>106.33</b>	<b>80.22</b>	<b>89.27</b>
<b>Total Assets (A+B)</b>	<b>5,590.89</b>	<b>192.09</b>	<b>4.15</b>	<b>5,778.82</b>	<b>1,977.62</b>	<b>298.21</b>	<b>2.84</b>	<b>2,272.99</b>	<b>3,505.83</b>	<b>3,613.27</b>
Intangible assets under development **									13.19	6.74
<b>Total as on 31st March, 2013</b>									<b>3,519.02</b>	<b>3,620.00</b>
<b>Total as on 31st March, 2012</b>	<b>5,191.47</b>	<b>414.37</b>	<b>15.01</b>	<b>5,590.89</b>	<b>1,694.25</b>	<b>294.53</b>	<b>11.19</b>	<b>1,977.62</b>	<b>3,620.00</b>	<b>3,502.56</b>

\*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.

\*\* Intangible assets under development includes amount incurred for developing custom made software for Digital Content Management Rs.13.19 Lacs (Previous Year – Rs.6.74 Lacs)

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - V C**

**Statement of Consolidated Tangible and Intangible Assets (As Restated)**

(₹ In Lacs)

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As on April 1, 2011	Additions During the Year	Deduction / Adjustments	As on Mar 31, 2012	Upto April 1, 2011	For the year	Deduction / Adjustments	Upto Mar 31, 2012	As on Mar 31, 2012	As on Mar 31, 2011
Office Building*	934.67	32.84	-	967.50	110.66	15.64	-	126.30	841.20	824.00
Plant & Machinery	3,504.14	298.87	-	3,803.07	1,295.57	208.24	-	1,503.83	2,299.24	2,208.57
Furniture & Fixtures	380.09	34.58	-	414.67	154.14	25.86	-	179.99	234.68	225.95
Motor Vehicle	232.54	18.14	15.01	235.68	76.10	21.90	11.19	86.80	148.88	156.44
<b>Total (A)</b>	<b>5,051.44</b>	<b>384.44</b>	<b>15.01</b>	<b>5,420.92</b>	<b>1,636.47</b>	<b>271.63</b>	<b>11.19</b>	<b>1,896.93</b>	<b>3,524.00</b>	<b>3,414.97</b>
Intangible Assets										
Computer Software	140.03	29.94	-	169.96	57.78	22.91	-	80.69	89.27	82.24
<b>Total (B)</b>	<b>140.03</b>	<b>29.94</b>	<b>-</b>	<b>169.96</b>	<b>57.78</b>	<b>22.91</b>	<b>-</b>	<b>80.69</b>	<b>89.27</b>	<b>82.24</b>
<b>Total Assets (A+B)</b>	<b>5,191.47</b>	<b>414.37</b>	<b>15.01</b>	<b>5,590.89</b>	<b>1,694.25</b>	<b>294.53</b>	<b>11.19</b>	<b>1,977.62</b>	<b>3,613.27</b>	<b>3,497.21</b>
Intangible assets under development **									6.74	5.35
<b>Total as on 31st Mar, 2012</b>									<b>3,620.00</b>	<b>3,502.56</b>
<b>Total as on 31st March, 2011</b>	<b>5,437.49</b>	<b>182.50</b>	<b>428.53</b>	<b>5,191.47</b>	<b>1,812.74</b>	<b>271.34</b>	<b>389.82</b>	<b>1,694.25</b>	<b>3,502.56</b>	<b>3,630.32</b>

\*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.

\*\* Intangible assets under development includes amount incurred for developing custom made software for Digital Content Management Rs.6.74 Lacs (Previous Year – Rs.5.35 Lacs)

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - V D**

**Statement of Consolidated Tangible and Intangible Assets (As Restated)**

(₹ In Lacs)

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As on April 1, 2010	Additions During the Year	Deduction / Adjustments	As on Mar 31, 2011	Upto April 1, 2010	For the year	Deduction / Adjustments	Upto Mar 31, 2011	As on Mar 31, 2011	As on Mar 31, 2010
Office Building*	934.67	-	-	934.67	95.25	15.41	-	110.66	824.00	839.41
Plant & Machinery	3,757.09	125.66	378.61	3,504.14	1,465.75	189.88	360.06	1,295.57	2,208.57	2,291.34
Furniture & Fixtures	368.93	11.16	-	380.09	130.66	23.48	-	154.14	225.95	238.27
Motor Vehicle	238.02	43.55	49.03	232.54	82.78	22.18	28.87	76.10	156.44	155.23
<b>Total (A)</b>	<b>5,298.70</b>	<b>180.37</b>	<b>427.63</b>	<b>5,051.44</b>	<b>1,774.45</b>	<b>250.95</b>	<b>388.93</b>	<b>1,636.47</b>	<b>3,414.97</b>	<b>3,524.26</b>
Intangible Assets										
Computer Software	138.79	2.13	0.90	140.03	38.29	20.39	0.90	57.78	82.24	100.50
<b>Total (B)</b>	<b>138.79</b>	<b>2.13</b>	<b>0.90</b>	<b>140.03</b>	<b>38.29</b>	<b>20.39</b>	<b>0.90</b>	<b>57.78</b>	<b>82.24</b>	<b>100.50</b>
<b>Total Assets (A+B)</b>	<b>5,437.49</b>	<b>182.50</b>	<b>428.53</b>	<b>5,191.47</b>	<b>1,812.74</b>	<b>271.34</b>	<b>389.82</b>	<b>1,694.25</b>	<b>3,497.21</b>	<b>3,624.75</b>
Intangible assets under development **									5.35	5.57
<b>Total as on 31st Mar, 2011</b>									<b>3,502.56</b>	<b>3,630.32</b>
<b>Total as on 31st March, 2010</b>	<b>5,325.96</b>	<b>117.19</b>	<b>5.66</b>	<b>5,437.49</b>	<b>1,547.16</b>	<b>268.38</b>	<b>2.80</b>	<b>1,812.74</b>	<b>3,630.32</b>	<b>3,832.46</b>

\*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.

\*\* Intangible assets under development includes amount incurred for developing custom made software for Digital Content Management Rs.5.35 Lacs (Previous Year – Rs.5.57 Lacs)

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - V E**

**Statement of Consolidated Tangible and Intangible Assets (As Restated)**

(₹ In Lacs)

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As on April 1, 2009	Additions During the Year	Deduction / Adjustments	As on Mar 31, 2010	Upto April 1, 2009	For the year	Deduction / Adjustments	Upto Mar 31, 2010	As on Mar 31, 2010	As on Mar 31, 2009
Office Building*	934.67	-	-	934.67	80.03	15.22	-	95.25	839.41	854.63
Plant & Machinery	3,709.04	49.41	1.36	3,757.09	1,272.18	193.63	0.06	1,465.75	2,291.34	2,436.86
Furniture & Fixtures	368.93	-	-	368.93	107.31	23.35	-	130.66	238.27	261.62
Motor Vehicle	235.33	6.99	4.30	238.02	63.36	22.17	2.74	82.78	155.23	171.98
<b>Total (A)</b>	<b>5,247.97</b>	<b>56.39</b>	<b>5.66</b>	<b>5,298.70</b>	<b>1,522.88</b>	<b>254.37</b>	<b>2.80</b>	<b>1,774.45</b>	<b>3,524.26</b>	<b>3,725.09</b>
Intangible Assets										
Computer Software	77.99	60.80	-	138.79	24.28	14.01	-	38.29	100.50	53.71
<b>Total (B)</b>	<b>77.99</b>	<b>60.80</b>	<b>-</b>	<b>138.79</b>	<b>24.28</b>	<b>14.01</b>	<b>-</b>	<b>38.29</b>	<b>100.50</b>	<b>53.71</b>
<b>Total Assets (A+B)</b>	<b>5,325.96</b>	<b>117.19</b>	<b>5.66</b>	<b>5,437.49</b>	<b>1,547.16</b>	<b>268.38</b>	<b>2.80</b>	<b>1,812.74</b>	<b>3,624.75</b>	<b>3,778.80</b>
Intangible assets under development **									5.57	53.66
<b>Total as on 31st Mar, 2010</b>									<b>3,630.32</b>	<b>3,832.46</b>
<b>Total as on 31st March, 2009</b>	<b>5,240.93</b>	<b>110.92</b>	<b>25.90</b>	<b>5,325.96</b>	<b>1,275.76</b>	<b>287.08</b>	<b>15.69</b>	<b>1,547.16</b>	<b>3,832.46</b>	<b>4,016.40</b>

\*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.

\*\* Intangible assets under development includes amount incurred for developing custom made software for Digital Content Management Rs.5.57 Lacs (Previous Year – Rs.53.66 Lacs)

**SHEMAROO ENTERTAINMENT LIMITED****ANNEXURE - VI****Statement of Consolidated Long Term Loans & Advances (As Restated)**

(₹ In Lacs)					
Particulars	As on March 31,				
	2014	2013	2012	2011	2010
<b>Long-term loans and advances</b>					
<b>(a) Security Deposit</b>					
Unsecured Considered Good	78.76	75.01	60.62	31.62	11.67
<b>(b) Other loans and advances</b>					
Advance Income Tax (Net of Provisions for Taxation)	-	-	285.39	976.03	1,551.77
Loans to employees	1.86	19.61	46.39	20.19	-
Prepaid Expenses	3.91	-	5.43	12.49	-
<b>Total</b>	<b>84.54</b>	<b>94.62</b>	<b>397.83</b>	<b>1,040.33</b>	<b>1,563.43</b>

**SHEMAROO ENTERTAINMENT LIMITED****ANNEXURE - VII****Statement of Consolidated Trade Receivables - Non Current (As Restated)**

(₹ In Lacs)					
Particulars	As on March 31,				
	2014	2013	2012	2011	2010
Unsecured - Considered Good	-	330.54	345.54	1,764.02	-
<b>Total</b>	<b>-</b>	<b>330.54</b>	<b>345.54</b>	<b>1,764.02</b>	<b>-</b>

**SHEMAROO ENTERTAINMENT LIMITED****ANNEXURE - VIII****Statement of Consolidated Trade Receivables - Current (As Restated)**

Particulars	As on March 31,				
	2014	2013	2012	2011	2010
Unsecured, Considered good unless stated otherwise					
a) Due for more than Six months	644.37	690.52	976.90	988.34	870.18
b) Other receivables	13,411.02	6,403.00	8,149.05	5,692.26	5,208.35
<b>Total</b>	<b>14,055.39</b>	<b>7,093.52</b>	<b>9,125.95</b>	<b>6,680.59</b>	<b>6,078.53</b>



**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - IX**

**Statement of Consolidated Short Term Loans & Advances (As Restated)**

(₹ In Lacs)					
Particulars	As on March 31,				
	2014	2013	2012	2011	2010
<b>Short-term loans and advances</b>					
(a) Security Deposit					
Unsecured Considered Good	-	-	-	1.00	-
(b) Advance recoverable in cash or kind					
Unsecured Considered Good	-	-	-	6.15	0.30
(c) Other loans and advances					
Withholding and Other Taxes Receivable	162.90	158.24	88.84	76.93	30.05
Advances paid for Supply of Goods and Rendering of Services	1,530.67	2,133.44	1,915.52	2,611.84	2,340.08
Balance with Customs, Central Excise Authorities	106.91	106.91	109.69	109.69	109.69
Advances paid to Others	-	-	11.50	0.54	0.54
Prepaid Expenses	60.10	85.94	87.70	102.20	40.47
Loans to employees	39.32	25.35	4.94	18.42	37.25
Loans to Others	526.64	189.53	71.21	69.73	253.43
	<b>2,426.55</b>	<b>2,699.44</b>	<b>2,289.44</b>		<b>2,811.80</b>
<b>Total</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>2,996.50</b>	<b>80</b>

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - X**

**Statement of Consolidated Long Term Borrowings (As Restated)**

(₹ In Lacs)

Particulars	As on March 31,				
	2014	2013	2012	2011	2010
<b>Secured</b>					
(a) Term loans from banks*	8.86	24.23	513.66	22.85	29.21
(b) Line of Credit	1,000.00	-	-	1,300.00	2,500.00
<b>Total</b>	<b>1,008.86</b>	<b>24.23</b>	<b>513.66</b>	<b>1,322.85</b>	<b>2,529.21</b>

**Term loans from banks**

(₹ In Lacs)

Name of the Bank/ Institution	Balance Outstanding as at 31st Mar, 2014	Rate of Interest (% P.a.)	Repayment Terms	Securities Offered
Kotak Mahindra Prime Ltd.	1.98	11.19	Balance Payable In Equal Twenty Installments	Car Loans are secured by Hypothecation of Vehicles acquired against the loan
Kotak Mahindra Prime Ltd.	6.88	9.96	Balance Payable In Equal Twenty One Installments	

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - XI**

**Statement of Consolidated Short Term Borrowings (As Restated)**

(₹ In Lacs)

Particulars	As on March 31,				
	2014	2013	2012	2011	2010
<b>Short Term Borrowings</b>					
(a) Working Capital Loans from Banks (Secured)	9,625.76	7,583.30	7,232.25	5,543.66	5,068.08
(b) Bank Overdraft					
Secured	-	-	-	-	-
Unsecured	1,138.57	764.27	579.81	517.65	391.22
(c) Loans and Advances (Unsecured)					
- Directors	375.45	795.75	374.30	453.50	1,107.00
- Inter Corporate Deposits	1,803.00	345.00	12.00	1,500.00	1,300.00
- Related Parties	15.75	248.25	250.00	275.00	224.00
- Others	1,156.00	1,255.00	320.00	-	-
<b>Total</b>	<b>14,114.53</b>	<b>10,991.58</b>	<b>8,768.36</b>	<b>8,289.82</b>	<b>8,090.30</b>

**Working Capital Loans from Banks**

(₹ In Lacs)

Name of the Bank/Institution	Balance Outstanding as at 31st March 2014	Sanction Limits	Rate of Interest	Securities Offered
The Shamrao Vithal Co-op Bank Limited	3,953.46	4,000	At PLR Less 3.50%	1. First Pari Pasu Charge on Stock and Book Debts 2. First Pari Pasu Charge on Fixed Asset
NKGSB Co-op Bank Limited	2,419.32	2,500	At PLR Less 0.75%	
Bank of India	3,252.98	3,500	Base Rate + 3.15%	

**Bank Overdraft**

(₹ In Lacs)

Particulars	Rate of Interest on 31st March 2014 (%)	Rate of Interest (%)	Other Terms
From Banks	1,138.57	Daily overnight NSE MIBOR + 2%	Renewable as per the terms and conditions

**Loans and Advances (Unsecured)**

(₹ In Lacs)

<b>Particulars</b>	<b>Balance as on 31st March 2014</b>	<b>Rate of Interest (%)</b>	<b>Other Terms</b>
From Promoter Directors	254.15	12.50	-
From Directors	121.30	12.50	-
From relatives of Directors	15.75	12.50	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
From Others	36.00	10.00	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
From Others	1,120.00	12.00	Payable on demand, subject to Companies (Acceptance of Deposit Rules), 1975
Inter Corporate Deposits	223.00	12.00	Renewable as per the terms and conditions
Inter Corporate Deposits	1,235.00	14.00	Renewable as per the terms and conditions
Inter Corporate Deposits	70.00	15.00	Renewable as per the terms and conditions
Inter Corporate Deposits	25.00	18.00	Renewable as per the terms and conditions
Inter Corporate Deposits	250.00	18.50	Renewable as per the terms and conditions

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - XII**

**Statement of Consolidated Other Current Liabilities (As Restated)**

Particulars	As on March 31,				
	2014	2013	2012	2011	2010
(₹ In Lacs)					
<b>(a) Current Maturities of Long-Term debt (Secured)</b>					
Term Loan from Banks*	15.37	19.47	23.12	31.78	243.05
(Term loans secured by hypothecation of the motor vehicles and machineries)					
<b>(b) Line of Credit / Film Financing</b>					
Secured	3,180.00	1,200.00	1,700.00	1,200.00	-
(Secured by hypothecation of specified negative prints and intellectual property rights, book debts / film negatives, personal guarantee of Directors)					
<b>(c) Creditors for Capital Expenditure</b>	38.48	7.33	42.68	2.44	9.00
<b>(d) Interest Accrued and due</b>	46.00	80.28	77.18	-	31.12
<b>(e) Others*</b>	520.93	485.51	572.77	970.64	496.43
* (includes Advance from customers, creditors for expenditure, deposit received , withholding and other taxes payables and other payables)					
<b>Total (a + b + c + d + e)</b>	<b>3,800.77</b>	<b>1,792.59</b>	<b>2,415.75</b>	<b>2,204.85</b>	<b>779.60</b>

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - XIII**

**Statement of Consolidated Reserves and Surplus (As Restated)**

Particulars	As on March 31,				
	2014	2013	2012	2011	2010
(₹ In Lacs)					
<b>a. Capital Reserves on Demerger</b>					
As per last Balance Sheet	-	-	1,081.32	1,491.46	1,491.46
Add: Addition during the year	-	-	-	-	-
Less : Premium Utilised for Bonus Issue	-	-	(1,081.32)	(410.14)	-
<b>Total (A)</b>	-	-	-	<b>1,081.32</b>	<b>1,491.46</b>
<b>b. Securities Premium Account</b>					
As per last Balance Sheet	4,213.50	4,213.50	3,061.03	3,061.03	3,061.03
Add : Securities premium credited on Share issue	-	-	1,559.81	-	-
Less : Premium Utilised for Bonus Issue	-	-	(407.34)	-	-
<b>Total (B)</b>	<b>4,213.50</b>	<b>4,213.50</b>	<b>4,213.50</b>	<b>3,061.03</b>	<b>3,061.03</b>
<b>c. Foreign Currency Translation reserve (loss) (C)</b>	(2.07)	0.79	0.83	4.13	6.60
<b>d. General Reserve</b>					
As per last Balance Sheet	1,800.10	1,738.40	1,685.86	1,590.94	1,590.94
(+) transferred as a result of demerger	-	-	-	-	-
Add: Transferred from Profit and loss account	69.60	61.70	52.54	94.92	-
Less: Transferred to Profit and loss account	-	-	-	-	-
<b>Total (D)</b>	<b>1,869.71</b>	<b>1,800.10</b>	<b>1,738.40</b>	<b>1,685.86</b>	<b>1,590.94</b>
<b>e. Surplus</b>					
As per last Balance Sheet	6,838.41	4,672.03	2,746.21	1,583.97	1,552.20
(+) Profit transferred as a result of demerger	-	-	-	-	-
(+) Adjustment on Prior period adjustments					
(+) Write back on account of Exchange Fluctuation Translation Reserve	-	-	-	-	0.10
(+) Profit / (Loss) for the year / period	2,726.78	2,344.19	2,093.71	1,363.44	31.66
(+) Transfer from General reserve	-	-	-	-	-
(-) Transfer to General reserve	(69.60)	(61.70)	(52.54)	(94.92)	-
(-) Proposed Dividends	(99.24)	(99.24)	(99.24)	(91.14)	-
(-) Dividend Tax	(16.87)	(16.87)	(16.10)	(15.14)	-
<b>Total (E)</b>	<b>9,379.48</b>	<b>6,838.41</b>	<b>4,672.03</b>	<b>2,746.21</b>	<b>1,583.97</b>
<b>Total (A + B + C + D + E)</b>	<b>15,460.63</b>	<b>12,852.81</b>	<b>10,624.77</b>	<b>8,578.56</b>	<b>7,734.01</b>

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - XIV**

**Statement of Consolidated Share Capital (As Restated)**

Particulars	As on March 31				
	2014	2013	2012	2011	2010
<b>Authorized:</b>					
3,00,00,000 (March 31, 2012 3,00,00,000)					
Equity Shares of ₹ 10/- each	3,000.00	3,000.00	3,000.00	1,000.00	50.00
<b>Issued, Subscribed and Paid-up:</b>					
1,98,48,904 (March 31, 2012 1,98,48,904)					
Equity Shares of ₹ 10/- each fully paid-up.	1,984.89	1,984.89	1,984.89	455.71	45.57
<b>Total</b>	<b>1,984.89</b>	<b>1,984.89</b>	<b>1,984.89</b>	<b>455.71</b>	<b>45.57</b>

**The reconciliation of the number of shares outstanding as on: -**

Particulars	As on March 31				
	2014	2013	2012	2011	2010
Number of shares at the beginning	198.49	198.49	45.57	4.56	4.56
Add: Shares issued during the year	-	-	-	-	-
:- For Cash	-	-	4.05	-	-
:- Bonus	-	-	148.87	41.01	-
:- Pursuant to Scheme of Arrangement	-	-	-	-	-
Number of shares at the end	198.49	198.49	198.49	45.57	4.56

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

(no.of shares In Lacs)

Name of Shareholder	Equity Shares									
	As at 31 March, 2014		As at 31 March, 2013		As at 31 March, 2012		As at 31 March, 2011		As at 31 March, 2010	
	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding
Mr. Raman Maroo	48.10	24.23	48.10	24.23	48.10	24.23	12.02	26.38	1.20	26.38
Mr. Atul Maru	48.10	24.23	48.10	24.23	48.10	24.23	12.02	26.38	1.20	26.38
Mr. Buddhichand Maroo	35.75	18.01	35.75	18.01	35.75	18.01	8.94	19.61	0.89	19.61
Technology And Media Group Pte. Ltd.	18.23	9.18	18.23	9.18	18.23	9.18	4.56	10.00	0.46	10.00
Mr. Hiren Gada	16.41	8.27	16.41	8.27	16.41	8.27	4.10	9.00	0.41	9.00
Mr. Jai Maroo	12.34	6.22	12.34	6.22	12.34	6.22	3.09	6.77	0.31	6.77
Hirji Devji Shah (HUF)	-	-	-	-	-	-	-	-	-	-
<b>Total Shareholding</b>	<b>178.92</b>	<b>90.14</b>	<b>178.92</b>	<b>90.14</b>	<b>178.92</b>	<b>90.14</b>	<b>44.73</b>	<b>98.15</b>	<b>4.47</b>	<b>98.15</b>



**SHEMAROO ENTERTAINMENT LIMITED**
**ANNEXURE - XV**
**Statement of Consolidated Other Income (As Restated)**

(₹ In Lacs)

Particulars	For the year ended March 31,					Nature
	2014	2013	2012	2011	2010	
Interest on Bank Deposits	2.32	18.70	31.52	10.60	70.12	Recurring and related to business activity.
Interest on Others	63.16	7.40	3.82	41.86	29.59	Recurring and related to business activity.
Interest on Income Tax Refund	-	70.01	76.67	120.23	-	Recurring and not related to business activity.
Foreign Exchange Fluctuation Gain	60.92	33.54	88.64	(60.34)	(8.25)	Recurring and related to business activity.
Dividend	0.90	0.90	0.90	0.90	1.05	Recurring and related to business activity.
Credit Balances Written Back	2.46	3.16	11.41	3.45	3.58	Recurring and related to business activity.
Discount Received	0.49	-	-	0.00	0.97	Recurring and related to business activity.
Insurance Claim	-	-	-	-	0.51	Recurring and related to business activity.
Surrender of Key man policy and Property Rights	-	-	296.26	-	98.78	Non recurring and not related to business activity.
Awards Received	-	-	-	-	-	Non recurring and not related to business activity.
Rent Income	1.50	1.32	1.32	1.20	-	Recurring and not related to business activity.
Compensation for contract cancellation	2.50	-	-	-	-	Non recurring and related to business activity.
<b>Total</b>	<b>134.25</b>	<b>135.02</b>	<b>510.54</b>	<b>117.91</b>	<b>196.36</b>	

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - XVI**

**Statement of Consolidated Capitalization (As Restated)**

(₹ In Lacs)

Particulars	Pre-Issue as at 31/03/2014	As Adjusted for issue
<b>Debt</b>		
Short Term Debt – Secured (A)	9,625.76	9,625.76
Short Term Debt – Unsecured (B)	4,488.77	4,488.77
Current Maturities of Long Term Debt (Included in Other Current Liabilities) (C)	3,195.37	3,195.37
Long Term Debt from Banks (D)	1,008.86	1,008.86
<b>Total Debt (A)+(B)+(C)+(D)=(E)</b>	<b>18,318.76</b>	<b>18,318.76</b>
<b>Shareholders' Funds</b>		
Share Capital	1,984.89	2,718.22
Reserves and Surplus	15,460.63	26,727.29
<b>Total Shareholders' funds (F)</b>	<b>17,445.52</b>	<b>29,445.52</b>
<b>Long Term Debt / Equity {(C+D)/F}</b>	<b>24.10%</b>	<b>14.28%</b>
<b>Total Debt / Equity (E/F)</b>	<b>105.01%</b>	<b>62.21%</b>

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - XVII**

**Statement of Consolidated Accounting & Other Ratios (As Restated)**

(₹ In Lacs)						
Particulars		Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2012	Mar. 31, 2011	Mar. 31, 2010
<b>Earnings Per Share ( in ₹ )***</b>						
Basic	A / B	13.74	11.81	10.62	7.48	0.17
Diluted	A / B	13.74	11.81	10.62	7.48	0.17
Net Profit / (Loss) after tax as restated attributable to equity shareholders	A	2,726.78	2,344.19	2,093.71	1,363.44	31.66
Weighted average no. of equity shares outstanding during the period/ year (in lakhs)	B	198.49	198.49	197.14	182.28	182.28
<b>Return on Net Worth (%)***</b>	A / C	<b>15.63%</b>	<b>15.80%</b>	<b>16.60%</b>	<b>15.09%</b>	<b>0.41%</b>
Net Worth	C	<b>17,445.52</b>	<b>14,837.70</b>	<b>12,609.66</b>	<b>9,034.26</b>	<b>7,779.58</b>
Net asset value per equity share ( in ₹ )***	C / D	87.89	74.75	63.53	49.56	42.68
No. of equity shares outstanding at the end of the Period / year	D	198.49	198.49	198.49	182.28	182.28

\* During the financial year 2010-11, the company issued 9 Bonus shares in ratio of every 1 share held. Weighted Average Number of shares for Financial Year 2009-10, has been reworked taking into account the Bonus Factor. During the financial year 2011-12, the company issued 3 Bonus shares in ratio of every 1 share held. Weighted Average Number of shares for Financial Year 2010-11 and 2009-10, has been reworked taking into account the Bonus Factor.

**SHEMAROO ENTERTAINMENT LIMITED****ANNEXURE - XVIII****Statement of Consolidated Contingent Liabilities (As Restated)**

Particulars	As on March 31,				
	2014	2013	2012	2011	2010
Bank Guarantee	20.00	12.00	5.00	1.63	1.63
Estimated amount of contracts remaining to be executed on capital account	-	5.00	5.00	1.25	0.48
Disputed Direct Tax Demands	75.24	-	-	-	202.97
Disputed Indirect Tax Demands	161.01	-	-	-	342.40
Legal Cases against the Group	227.48	180.51	180.51	180.51	185.13
Uncalled liability on Partly Paid Shares	-	-	-	342.00	-
Bills of exchange discounted with Bank	-	-	4,332.19	1,980.00	495.00
<b>Total</b>	<b>483.73</b>	<b>197.51</b>	<b>4,522.70</b>	<b>2,505.39</b>	<b>1,227.60</b>

**SHEMAROO ENTERTAINMENT LIMITED****ANNEXURE - XIX****Statement of Consolidated Dividend declared (As Restated)**

(₹ In Lacs)

Particulars	For the year ended March 31,				
	2014	2013	2012	2011	2010
<b>Equity Dividend</b>					
Equity Share Capital (Face value Rs. 10/- per share)	1,984.89	1,984.89	1,984.89	455.71	-
Rate of Dividend	0.05	0.05	5%	20%	-
Amount of Dividend	99.24	99.24	99.24	91.14	-
Tax on Dividend	16.87	16.87	16.10	15.14	-

**SHEMAROO ENTERTAINMENT LIMITED**

**ANNEXURE - XX**

**Statement of Consolidated Long term Investments (As Restated)**

Particulars	As on March 31,				
	2014	2013	2012	2011	2010
<b>Long Term Investments</b>					
(a) Trade Investments (valued at cost)					
Unquoted equity instruments					
<b>- Investment in Associate Company</b>					
Vistaas Digital Media Private Limited	-	-	-	2.80	-
Add:- Goodwill	1,061.39	1,061.39	1,061.39	609.39	-
Less:- Share of Loss	(177.06)	(189.02)	(78.12)	(4.02)	-
Investment in Associate Company (A)	<b>884.33</b>	<b>872.37</b>	<b>983.27</b>	<b>608.17</b>	<b>-</b>
(b) Other Investments (valued at cost) (B)	10.00	7.00	7.00	7.00	7.00
<b>Total (A + B)</b>	<b>894.33</b>	<b>879.37</b>	<b>990.27</b>	<b>615.17</b>	<b>7.00</b>

**SHEMAROO ENTERTAINMENT LIMITED****ANNEXURE - XXI****Statement of Consolidated Inventories as restated:**

Particulars	(₹ In Lacs)				
	As on March 31				
	2014	2013	2012	2011	2010
<b>Inventories</b>					
- Copyrights	19,392.65	13,533.68	9,491.27	4,964.51	4,856.40
- Movies under Production	472.76	906.40	58.84	202.57	114.82
- Physical Stock including Blu-Rays, DVDs, etc.	185.49	206.67	141.73	145.98	172.79
<b>Total</b>	<b>20,050.90</b>	<b>14,646.74</b>	<b>9,691.84</b>	<b>5,313.06</b>	<b>5,144.00</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF OUR COMPANY

*You should read the following discussion of our financial condition and results of operations together with our audited and restated consolidated financial statements for each of the Fiscal years 2010, 2011, 2012, 2013 and 2014 including the notes thereto and the report thereon, which appear elsewhere in this Prospectus. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act, 1956 and the SEBI Guidelines and restated as described in the report of our auditors dated August 26, 2014, which is included in this Prospectus under "Financial Statements." The restated consolidated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS.*

*Our Fiscal year ends on March 31 of each year; all references to a particular Fiscal year are to the twelve-month period ended March 31 of that year.*

*In this section, a reference to the "Company" means Shemaroo Entertainment Limited. Unless the context otherwise requires, references to "we," "us," "our" or "SEL" refers to Shemaroo Entertainment Limited and its Subsidiaries.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" beginning on page 15 of this Prospectus.*

### Overview

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

In 1979 we set up India's first video rental business and thereafter in 1987 we forayed into distribution of content through the home video segment in the video home system ("VHS") format. Over the years, we have successfully adapted to changing content consumption patterns by expanding into content aggregation and distribution for broadcasting on television platforms. We are continuing the expansion into new media platforms.

Our Content Library consists of more than 2,900 titles spanning new Hindi films like Queen, Bhaag Milkha Bhaag, Dedh Ishqiya, The Dirty Picture, Kahaani, OMG: Oh My God!, Black, Ishqiya, Ajab Prem Ki Ghazab Kahani, Omkara, Dil Toh Baccha Hai, Bheja Fry 2, amongst others. Hindi films classics like Zanjeer, Beta, Dil, Disco Dancer, Mughal-e-Azam, Amar Akbar Anthony, Namak Halaal, Kaalia, Madhumati etc., titles in various other regional languages like Marathi, Gujarati, Punjabi, Bengali among others as well as non-film content.

Currently we distribute content over which we have either complete ownership rights or limited ownership rights. The content acquired or produced by us, consisting of complete ownership rights and limited ownership rights are known as our "Content Library".

Titles over which we have complete ownership rights are referred to as "Perpetual Rights", which allows us to distribute content worldwide for a perpetual period across all mediums. Titles over which we have limited ownership rights are referred to as "Aggregation Rights". Aggregation Rights are restricted by either period of usage, distribution platforms, medium and geography or combination thereof.

We distribute our Content Library through various mediums such as (i) television such as satellite, terrestrial and cable television; (ii) new media platforms consisting of mobile, internet, direct to home ("DTH") and other applications; (iii) home entertainment; and (iv) other media. For further details, please refer to "Distribution Platforms" on pages 124 to 127 of this Prospectus.

Our recent initiatives include tying up as an official channel partner for Google Inc.'s You Tube where we are managing 32 channels. We are also moving beyond providing just content, to providing content management solutions to partners including Tata DOCOMO's video platform for 3G services and Airtel digital television in connection with an interactive devotional service, namely "iDarshan".

Based on our audited and restated consolidated financial statements the total income, EBDITA and profit after tax for Fiscal 2014 were ₹ 26,595.03 lakhs, ₹ 6,568.53 lakhs and ₹ 2,714.83 lakhs respectively, representing growth of 23.07%, 11.88% and 10.58 % respectively, as compared to Fiscal 2013.

### Significant Developments after March 31, 2014

There are no significant developments after March, 31 2014.



## ***Significant Factors Affecting our Results of Operations***

Our financial condition and results of operations are affected by numerous factors, the following of which are of particular importance:

### ***1. Challenging Economic Condition***

Occurrence of events like the recent global financial meltdown can have an adverse impact on our business and operations and the entertainment and media industry in general. Factors like liquidity crunch may affect the scale and production of films. Slowdown in advertising budgets can impact the broadcast industry. Entertainment and Media spends are largely discretionary in nature, and in tough economic conditions, consumers may resort to cut in these spends.

While one cannot be totally insulated against challenging economic conditions, we believe that there will always be demand for compelling content, even in tough economic conditions. Only the flavor of content might change with times. Besides, most of the segments we operate in, like cable and satellite are a less expensive form of entertainment & leisure, and sometimes may benefit at the expense of other leisure activities.

### ***2. Changes in Technology***

The landscape of the media industry continues to change in response to technological innovation and evolving consumer trends. New mediums and technology like 3G, iPad, IPTV, DTH are changing the very definition of media. If we are unable to respond to changes in technology and evolving industry trends, our businesses may not be able to compete effectively.

We have been a key player in the evolution of the media industry. We understand content and its delivery platform and over the years, have successfully adapted to changing technology by expanding our distribution platforms. Our recent foray includes capturing the new age media platform and we have invested significantly in providing content to Mobile Operators, IPTV operators, 3G operators and leading online entertainment portals.

### ***3. Availability of film content***

Our Broadcast syndication business is driven primarily by availability of film content from producers or owners of the film. There is a risk that during certain periods fewer or no major films will release. We also face a risk of availability of quality content.

It is a part of our wider business strategy to purchase rights of content which is compelling and which is not necessarily restricted to box-office success. Several factors like star cast and appeal, popularity of director, and channel positioning are taken into consideration before we purchase the rights. Besides, we have a library of over 640 titles where we have perpetual rights. We also actively pursue non-film rights like special interest content and regional content. All this helps us reduce our dependence on the availability of film content.

### ***4. Competition***

In all our operating activities, we face competition from individuals as well as large corporate. Besides, most players can easily enter a business like broadcast syndication with a limited amount of investment. Any major change in strategy by competition or entry of a new player could have an adverse effect on our operations and impact our financial condition.

We have evolved into one of India's largest content owner, aggregator and distributor of film-based copyrights and other entertainment rights. In broadcast syndication, our strong negotiating position due to our reputation and brand helps us acquire quality content and distribute at favourable terms. Our large library of perpetual rights makes us the partner of choice for most of the distribution platform owners. Besides, the market we operate in is structurally changing, and hence there are always opportunities for us to maximize/reinforce our leading market position. We believe our ability to vet the title rights and support technical quality of deliverables on a large scale and leadership position enables us to compete successfully.

### ***5. Counterparty relationships***

We may face material counterparty risk in relation to our clients, content owners, telecom operators and broadcasters.

We have various systems and processes in place which ensures minimal damage and counterparty risk. We have a robust legal due diligence process, having been refined over 25 years of experience. Our experienced management team has strong understanding and knowledge to assess the commercial viability of content deals and products. We also have technical due diligence in place which evaluates the quality of source material and ensure technical superiority of the content.

## **6. *Changes in Regulations***

Changes in laws and regulations governing the entertainment and media industry may have an adverse effect on our business. Compliance with and the effects of existing and future regulations could have a material adverse impact on us.

The government, regulatory bodies and members of the industry are actively working together towards reforms that aid the development of Indian media companies. In fact, the impending changes in regulations can only act as a catalyst to the growth of the sector. The roll out of 3G is one such example.

### ***Significant Accounting Policies***

#### **Basis of Accounting**

The financial statements are prepared under historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) in India, Accounting Standards (AS) as notified under Companies (Accounting Standards) Rules, 2006 and the requirements of the Companies Act, 1956.

#### **Use of Estimates**

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

#### **Fixed Assets**

Fixed assets are stated at historical cost less accumulated depreciation/amortization thereon and impairment losses, if any. Cost includes all costs incidental to acquisition, installation, commissioning and related internal costs and interest paid on funds borrowed to finance the assets until the assets are ready for commercial use.

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

#### **Depreciation**

Depreciation on fixed assets is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on addition to /deletions from fixed assets is provided on pro-rata basis from / up to the date of such additions / deletions as the case may be. Fixed assets individually costing ₹ 5000 or less are fully depreciated in the year of acquisition.

#### **Investments**

Investments are classified into Current and Long Term Investments. Long term investments (including joint ventures) are stated at cost, except where there is a diminution in value other than temporary, in which case requisite provision is made to write down the carrying value to recognize such decline. Current investments are stated at cost.

#### **Inventories**

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

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

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

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

#### **Revenue Recognition**

Sales of ACDs / VCDs / DVDs /ACS are recognised when goods are supplied and are recorded net of returns, trade discounts, rebates and indirect taxes.

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

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

Services are recognized when the contractual commitments are delivered in full and are recorded net of returns, trade discounts, rebates and indirect taxes.

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

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

Dividend income is recognised when the right to receive the same is established.

Interest Income is recognised on a time proportion basis.

#### 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.

#### Employee Benefits

Defined contribution plan

The company's contributions to Employees Provident Fund, Employees Pension Fund and cost of other benefits are charged to Profit & Loss Account on actual cost to the company on accrual basis each year.

Defined benefit plan

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

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

#### Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition & construction of qualifying assets are capitalized as a part of the cost of the respective assets up to the date, when such asset is ready for its intended use. Other borrowing costs are charged to the profit and loss account in the year in which they are incurred except Bill Discounting charges which have been carried forward on time proportion basis.

#### Foreign Currency Transaction

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

#### Taxation

##### Current Tax

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

##### Deferred Tax

Deferred Tax is recognised on timing differences; being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

#### Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### Impairment of Assets

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

#### Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

### **Results of operations**

#### **Explanation of key income statement items**

##### **Total Income**

##### **Revenue from Operations**

**Income from operations primarily refers to income generated from the following:**

##### **Broadcast Syndication**

Content owned by us, especially films, are regularly broadcasted on various television networks. Income from broadcast syndication is generated by licensing the television rights of our films to television broadcasters including satellite television, cable television and terrestrial television for broadcast on their networks.

The content distributed by us through broadcast syndication predominantly consists of Hindi films. We enter into an agreement for a particular film or package of films with a particular channel or a particular group having multiple channels for broadcasting of our films, on its channel/ multiple channels within the same group, for a specified period of time.

##### **New Media**

New media revenue consists of revenue from MVAS, Internet, DTH, and IPTV amongst others. We have agreements with large number of telecom / new media players / operators for distribution of content through above mentioned platforms. We have tie-ups with almost all major players in this respect. We have been working closely with operators to ensure adequate distribution and marketing of our products.

##### **Home Entertainment**

Home entertainment distribution involves physical distribution of content through Blu Ray, DVDs and VCDs to consumers indirectly via retail channels and direct sales to corporate customers. We release film as well as non-film content from our Library as part of Home video compilations.

### Other Distribution Platforms

We have taken Bollywood films across the globe through various distribution platforms due to the growing demand for Hindi film content amongst both ethnic and non-ethnic audiences abroad. We license airborne rights of our content for in-flight entertainment to a number of airlines. We also actively showcase our Content Library at international film festivals and content markets.

### Miscellaneous Business Activities

We have an in-house state-of-the-art digital post-production studio. We provide the following key services namely, Digital Intermediate processing, Digital Restoration, 4K Spirit Data Scanner Telecine Transfer, Scanning & Archiving Digitally, HD and SD Post Production, Blu Ray / DVD and VCD Authoring and Format Conversion. The above facility is used for serving the in-house content management as well as to third parties also.

### **Other Income**

Our other income consist primarily interest on Bank term deposits, dividends amongst others.

### **Expenditures**

The principal components of our expenditures are direct operational expenses, personnel expenses, administrative expenses, selling & distribution expenses and preliminary expenditure written off.

### **Direct Operational Expenses**

Our direct operating expenses comprise of cost of copyrights sold and cost of goods sold for physical products like VCDs, DVDs and Blu Ray for Home Video distribution. Our operating expenses include expenses with respect to works expenses for physical products, film prints and laboratory processing relating to the release of a film, which are written-off entirely in the year of release.

### **Personnel cost**

Personnel costs include salaries, wages and bonuses of our employees, our contributions to provident and other funds and staff welfare expenses.

### **Administrative expenses**

Our administration expense includes rent, rates and taxes; legal and professional fees arising primarily from services rendered in connection with our business; net foreign exchange losses arising from the conversion of non-Rupee denominated expenses / purchases into Rupees; communication expenses; repair and maintenance; electricity charges; commission and brokerage; insurance charges; printing and stationery; business development expenses; and travelling and conveyance expenses amongst others.

### **Selling expenses**

Selling expenses relate to expenses incurred in connection with marketing and publicity expenses incurred towards the promotion of our content through advertisement on electronic and print media, printing and designing of publicity material, PR expenses and discount given to our customers.

### **Finance expenses**

Finance expenses include interest on term loans, interest on cash credit/working capital loans, interest paid on inter corporate deposits and bank and other finance charges.

### **Depreciation**

Depreciation consists of depreciation on our fixed assets. Such depreciation is calculated in accordance with the straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

### **Results of Operations**

Our restated consolidated financial statements are included in this document under the section titled "Financial Statements." The following table sets forth selected data with respect to our results of operations in the periods indicated.

Particulars	FOR THE YEAR ENDED MARCH 31,		
	2014	% growth	2013
<b>Income</b>			
Revenue from Operations	26,460.79	23.22%	21,473.90
<i>As a % of total income</i>	99.50%		99.38%
Other Income	134.25	(0.57)%	135.02
<i>As a % of total income</i>	0.50%		0.62%
<b>Total Income</b>	<b>26,595.03</b>	<b>23.07%</b>	<b>21,608.92</b>
<b>Expenditure</b>			
Direct Operating Expenses	22,028.03	24.65%	17,672.58
<i>As a % of total income</i>	82.83%		81.78%
Changes in inventories	(5,402.47)	9.03%	(4,954.90)
<i>As a % of total income</i>	(20.31)%		(22.93)%
Employee Benefit Expense	1,853.62	12.56%	1,646.75
<i>As a % of total income</i>	6.97%		7.62%
Other Expenses	1,547.32	12.64%	1,373.65
<i>As a % of total income</i>	5.82%		6.36%
<b>Total</b>	<b>20,026.50</b>	<b>27.25%</b>	<b>15,738.08</b>
<i>As a % of total income</i>	75.30%		72.83%
<b>Earnings before Interest, Depreciation, Tax and Extraordinary Items (A-B)</b>	<b>6,568.53</b>	<b>11.88%</b>	<b>5,870.84</b>
<i>As a % of total income</i>	24.70%		27.17%
Financial Cost	1922.80	5.03%	1,830.79
<i>As a % of total income</i>	7.23%		8.47%
Depreciation	296.43	(0.60)%	298.21
<i>As a % of total income</i>	1.11%		1.38%
<b>Total Expenses</b>	<b>22,245.72</b>	<b>24.51%</b>	<b>17,867.08</b>
<i>As a % of total income</i>	83.65%		82.68%
<b>Profit before Tax and Extraordinary Items</b>	<b>4,349.31</b>	<b>16.25%</b>	<b>3,741.84</b>
<i>As a % of total income</i>	16.35%		17.32%
<u>Provision for Taxation</u>			
- Current Tax	1,293.25	2.27%	1,264.56
Less: MAT Credit	-		-
- Deferred Tax	340.34	1503.95%	21.22
- Wealth Tax	0.89	(6.91)%	0.96
<b>Profit For the Year</b>	<b>2,714.83</b>	<b>10.58%</b>	<b>2,455.10</b>
<i>As a % of total income</i>	10.21%		11.36%
Share in Reserves of Associate Company	11.96	110.78%	(110.90)
<b>Net Profit after Extraordinary Items</b>	<b>2,726.78</b>	<b>16.32%</b>	<b>2,344.19</b>
<i>As a % of total income</i>	10.25%		10.85%

### Comparison of Fiscal 2014 with Fiscal 2013

#### Total Income

Our total income increased by 23.07% from ₹ 21,608.92 lakhs in Fiscal 2013 to ₹ 26,595.03 lakhs in Fiscal 2014 due to the following factors:

#### Revenue from Operations

Our income from sales and services increased by 23.22 % from ₹ 21,473.90 lakhs in Fiscal 2013 to ₹ 26,460.79 lakhs in Fiscal 2014 due to overall growth in demand for films. Sales and services as a % of total income increased from 99.38% to 99.50% for the same period.

### **Other Income**

Other income decreased by 0.57% from ₹ 135.02 lakhs in Fiscal 2013 to ₹134.25 lakhs in Fiscal 2014. Other income as a percentage of total income decreased from 0.62% to 0.50% for the same period.

### **Total Expenditure**

Total expenditure increased by 27.25% from ₹ 15,738.08 lakhs in Fiscal 2013 to ₹ 20,026.50 lakhs in Fiscal 2014. Total expenditure as a percentage of total income increased from 72.83% to 75.30% for the same period.

This is primarily attributable to the following factors:

### **Direct operational expenses**

Direct operational expenses increased by 24.65% from ₹ 17,672.58 lakhs in Fiscal 2013 to ₹ 22,028.03 lakhs in Fiscal 2014, primarily due to increase in content cost and to build a future content pipeline. Direct operational expenses as a percentage of total income increased from 81.78% to 82.83% for the same period.

### **Changes in Inventories**

Change in inventory increased by 9.03% from ₹ (4,954.90) lakhs in Fiscal 2013 to ₹ (5,402.47) lakhs for the Fiscal 2014. This accounted for a part of the increase in direct operational expenses.

### **Employee Benefit Expenses**

Our Employee benefit expenses increased by 12.56% from ₹ 1,646.75 lakhs in Fiscal 2013 to ₹ 1,853.62 lakhs in Fiscal 2014, primarily due to an increase in the number of employees commensurate with the increase in business and an annual increase in salaries. The employee benefit expenses as a percentage of total income decreased from 7.62% to 6.97% for the same period.

### **Other Expenses**

Other expenses increased by 12.64% from ₹ 1,373.65 lakhs in Fiscal 2013 to ₹ 1,547.32 lakhs in Fiscal 2014, primarily due to increase in statutory and legal fees and repair and maintenance expenses. Other expenses as a percentage of total income decreased from 6.36% to 5.82% for the same period.

### **Earnings before Interest, Depreciation, Tax and Extraordinary Item (EBITDA)**

EBITDA increased by 11.88% from ₹ 5,870.84 lakhs in Fiscal 2013 to ₹ 6,568.53 lakhs in Fiscal 2014 due to higher revenue, inventories and better operating efficiency. EBITDA margin decreased from 27.17% to 24.70% for the same period.

### **Financial Costs**

Financial expenses increased by 5.03%, from ₹ 1,830.79 lakhs in Fiscal 2013 to ₹ 1,922.80 lakhs in Fiscal 2014, primarily due to higher borrowing during the year. Financial expense as a percentage of total income decreased from 8.47% to 7.23% for the same period.

### **Depreciation and amortization expense**

Depreciation decreased by 0.60% from ₹ 298.21 lakhs in Fiscal 2013 to ₹ 296.43 lakhs in Fiscal 2014, primarily due to lower addition in gross block. Depreciation as a percentage of total income decreased from 1.38% to 1.11% for the same period as the percentage increase in total income was lower than addition in Gross Block of Fixed Assets.

### **Profit before tax and extraordinary items (PBT)**

PBT increased significantly by 16.25% from ₹ 3,741.84 lakhs in Fiscal 2013 to ₹ 4,349.31 lakhs in Fiscal 2014. PBT margin as a percentage of total income decreased from 17.32% to 16.35% for the same period.

### **Tax Expense**

The tax expense increased by 27.03% from ₹ 1,286.74 lakhs in Fiscal 2013 to ₹ 1,634.48 lakhs in Fiscal 2014. The primary component of this increase was deferred tax.

### Profit after tax (PAT)

For the reasons discussed above, PAT increased by 10.58% from ₹ 2,455.10 lakhs in Fiscal 2013 to ₹ 2,714.83 lakhs in Fiscal 2014. PAT margin slightly decreased from 11.36% to 10.21% for the same period.

### Net Profit after extraordinary Items and after adjusting for profit/ (loss) of associate

The net profit after extraordinary items increased by 16.32% from ₹ 2,344.19 lakhs in Fiscal 2013 to ₹ 2,726 lakhs in Fiscal 2014. Net profit after extraordinary items as a percentage of total income decreased from 10.85% to 10.25% for the same period.

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,		
	2013	% growth	2012
<b>Income</b>			
Revenue from Operations	21,473.90	17.98%	18,201.11
As a % of total income	99.38%		97.27%
Other Income	135.02	-73.55%	510.54
As a % of total income	0.62%		2.73%
<b>Total Income</b>	<b>21,608.92</b>	<b>15.48%</b>	<b>18,711.65</b>
<b>Expenditure</b>			
Direct Operating Expenses	17,672.58	18.39%	14,927.96
As a % of total income	81.78%		79.78%
Changes in inventories	(4,954.90)	13.16%	(4,378.78)
As a % of total income	(22.93)%		(23.40)%
Employee Benefit Expense	1,646.75	11.16%	1,481.35
As a % of total income	7.62%		7.92%
Other Expenses	1,373.65	-9.35%	1,515.67
As a % of total income	6.36%		8.10%
<b>Total</b>	<b>15,738.08</b>	<b>16.18%</b>	<b>13,546.20</b>
As a % of total income	72.83%		72.39%
<b>Earnings before Interest, Depreciation, Tax and Extraordinary Items (A-B)</b>	<b>5,870.84</b>	<b>13.65%</b>	<b>5,165.45</b>
As a % of total income	27.17%		27.61%
Financial Cost	1,830.79	-4.98%	1,926.48
As a % of total income	8.47%		10.30%
Depreciation	298.21	1.25%	294.53
As a % of total income	1.38%		1.57%
<b>Total Expenses</b>	<b>17,867.08</b>	<b>13.32%</b>	<b>15,767.22</b>
As a % of total income	82.68%		84.26%
<b>Profit before Tax and Extraordinary Items</b>	<b>3,741.84</b>	<b>27.08%</b>	<b>2,944.43</b>
As a % of total income	17.32%		15.74%
<u>Provision for Taxation</u>			
- Current Tax	1,264.56	34.77%	938.32
Less: MAT Credit	-	-100%	(199.34)
- Deferred Tax	21.22	-42.46%	36.88
- Wealth Tax	0.96	23.59%	0.78
<b>Profit For the Year</b>	<b>2,455.10</b>	<b>13.25%</b>	<b>2,167.80</b>
As a % of total income	11.36%		11.59%



Particulars	FOR THE YEAR ENDED MARCH 31,		
	2013	% growth	2012
Share in Reserves of Associate Company	(110.09)	49.68%	(74.09)
<b>Net Profit after Extraordinary Items</b>	<b>2,344.19</b>	<b>11.96%</b>	<b>2,093.71</b>
<i>As a % of total income</i>	<i>10.85%</i>		<i>11.19%</i>

### Comparison of Fiscal 2013 with Fiscal 2012

#### Total Income

Our total income increased by 15.48% from ₹ 18,711.65 lakhs in Fiscal 2012 to ₹ 21,608.92 lakhs in Fiscal 2013 due to the following factors:

#### Revenue from Operations

Our income from sales and services increased by 17.98% from ₹ 18,201.11 lakhs in Fiscal 2012 to ₹ 21,473.90 lakhs in Fiscal 2013 due to overall growth in demand for films. Sales and services as a % of total income increased from 97.27% to 99.38% for the same period.

#### Other Income

Other income decreased by 73.55% from ₹ 510.54 lakhs in Fiscal 2012 to ₹ 135.02 lakhs in Fiscal 2013. Other income as a percentage of total income decreased from 2.73% to 0.62% for the same period.

#### Total Expenditure

Total expenditure increased by 16.81% from ₹ 13,546.20 lakhs in Fiscal 2012 to ₹ 15,738.08 lakhs in Fiscal 2013. Total expenditure as a percentage of total income increased from 72.39% to 72.83% for the same period.

This is primarily attributable to the following factors:

#### Direct operational expenses

Direct operational expenses increased by 18.39% from ₹ 14,927.96 lakhs in Fiscal 2012 to ₹ 17,672.58 lakhs in Fiscal 2013, primarily due to increase in content cost and to build a future content pipeline. Direct operational expenses as a percentage of total income increased from 79.78% to 81.78% for the same period.

#### Changes in Inventories

Change in inventory increased by 13.16% from ₹ (4,378.78) lakhs in Fiscal 2012 to ₹ (4,954.90) lakhs for the fiscal 2013. This accounted for a part of the increase in direct operational expenses.

#### Employee Benefit Expenses

Our Employee benefit expenses increased by 11.16% from ₹ 1,481.35 lakhs in Fiscal 2012 to ₹ 1,646.75 lakhs in Fiscal 2013, primarily due to an increase in the number of employees commensurate with the increase in business and an annual increase in salaries. However, the employee benefit expenses as a percentage of total income decreased from 7.92% to 7.62% for the same period.

#### Other Expenses

Other expenses decreased by 9.35% from ₹ 1,515.67 lakhs in Fiscal 2012 to ₹ 1,373.65 lakhs in Fiscal 2013, primarily due to decrease in repair and maintenance expenses. Other expenses as a percentage of total income decreased from 8.10% to 6.36% for the same period.

#### Earnings before Interest, Depreciation, Tax and Extraordinary Item (EBITDA)

EBITDA increased by 13.65% from ₹ 5,165.45 lakhs in Fiscal 2012 to ₹ 5,870.84 lakhs in Fiscal 2013 in line with growth in revenue. EBITDA margin slightly decreased from 27.61% to 27.17% for the same period.

#### Financial Costs

Financial expenses decreased by 4.98%, from ₹ 1,926.48 lakhs in Fiscal 2012 to ₹ 1,830.79 lakhs in Fiscal 2013, primarily due to reduction in interest rate and financial expenses. Financial costs as a percentage of total income decreased from 10.30% to 8.47% for the same period.

#### Depreciation and amortization expense

Depreciation increased by 1.25% from ₹ 294.53 lakhs in Fiscal 2012 to ₹ 298.21 lakhs in Fiscal 2013, primarily due to addition in gross block. Depreciation as a percentage of total income decreased from 1.57% to 1.38% for the same period as the percentage increase in total income was higher than addition in Gross Block of Fixed Assets.

#### Profit before tax and extraordinary items (PBT)

PBT increased significantly by 27.08% from ₹ 2,944.43 lakhs in Fiscal 2012 to ₹ 3,741.84 lakhs in Fiscal 2013. PBT margin as a percentage of total income increased from 15.74% to 17.32% for the same period.

#### Tax Expense

The tax expense increased by 65.68% from ₹ 776.63 lakhs in Fiscal 2012 to ₹ 1,286.74 lakhs in Fiscal 2013. The primary component of this increase was current income tax.

#### Profit after tax (PAT)

For the reasons discussed above, PAT increased by 13.25% from ₹ 2,167.80 lakhs in Fiscal 2012 to ₹ 2,455.10 lakhs in Fiscal 2013. PAT margin slightly decreased from 11.59% to 11.36% for the same period.

#### Net Profit after extraordinary Items and after adjusting for profit/ (loss) of associate

The net profit after extraordinary items increased by 11.96% from ₹ 2,093.71 lakhs in Fiscal 2012 to ₹ 2,344.19 lakhs in Fiscal 2013. Net profit after extraordinary items as a percentage of total income decreased from 11.19% to 10.85% for the same period.

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,		
	2012	% growth	2011
<b>Income</b>			
Revenue from Operations	18,201.11	15.02%	15,824.39
As a % of total income	97.27%		99.26%
Other Income	510.54	332.99%	117.91
As a % of total income	2.73%		0.74%
<b>Total Income</b>	<b>18,711.65</b>	<b>17.37%</b>	<b>15,942.30</b>
<b>Expenditure</b>			
Direct Operating Expenses	14,927.96	44.03%	10,364.20
As a % of total income	79.78%		65.01%
Changes in inventories	(4,378.78)	2490.17%	(169.05)
As a % of total income	(23.4)%		(1.06)%
Employee Benefit Expense	1,481.35	48.76%	995.81
As a % of total income	7.92%		6.25%
Other Expenses	1,515.67	24.94%	1,213.14
As a % of total income	8.10%		7.61%
<b>Total</b>	<b>13,546.20</b>	<b>9.21%</b>	<b>12,404.10</b>
As a % of total income	72.39%		77.81%
<b>Earnings before Interest, Depreciation, Tax and Extraordinary Items (A-B)</b>	<b>5,165.45</b>	<b>45.99%</b>	<b>3,538.20</b>
As a % of total income	27.61%		22.19%

Particulars	FOR THE YEAR ENDED MARCH 31,		
	2012	% growth	2011
Financial Cost	1,926.48	25.93%	1,529.85
<i>As a % of total income</i>	10.30%		9.60%
Depreciation	294.53	8.55%	271.34
<i>As a % of total income</i>	1.57%		1.70%
<b>Total Expenses</b>	<b>15,767.22</b>	<b>11.00%</b>	<b>14,205.29</b>
<i>As a % of total income</i>	84.26%		89.10%
<b>Profit before Tax and Extraordinary Items</b>	<b>2,944.43</b>	<b>69.51%</b>	<b>1,737.01</b>
<i>As a % of total income</i>	15.74%		10.90%
<u>Provision for Taxation</u>			
- Current Tax	938.32	190.40%	323.11
Less: MAT Credit	(199.34)		-
- Deferred Tax	36.88	-19.46%	45.79
- Wealth Tax	0.78	17.42%	0.66
<b>Profit For the Year</b>	<b>2,167.80</b>	<b>58.53%</b>	<b>1,367.46</b>
<i>As a % of total income</i>	11.59%		8.58%
Share in Reserves of Associate Company	(74.09)	1741.87%	(4.02)
<b>Net Profit after Extraordinary Items</b>	<b>2,093.71</b>	<b>53.56%</b>	<b>1,363.44</b>
<i>As a % of total income</i>	11.19%		8.55%

### Comparison of Fiscal 2012 with Fiscal 2011

#### Total Income

Our total income increased by 17.37% from ₹ 15942.30 lakhs in Fiscal 2011 to ₹ 18,711.65 lakhs in Fiscal 2012 due to the following factors:

#### Revenue from Operations

Our income from sales and services increased by 15.02% from ₹ 15,824.39 lakhs in Fiscal 2011 to ₹ 18,201.11 lakhs in Fiscal 2012 due to overall growth in demand for films. Sales and services as a % of total income decreased from 99.26% to 97.27% for the same period.

#### Other Income

Other income increased by 332.99% from ₹ 117.91 lakhs in Fiscal 2011 to ₹ 510.54 lakhs in Fiscal 2012. Other income as a percentage of total income increased from 0.74% to 2.73% for the same period.

#### Total Expenditure

Total expenditure increased by 9.23% from ₹ 12,404.10 lakhs in Fiscal 2011 to ₹ 13,545.84 lakhs in Fiscal 2012. Total expenditure as a percentage of total income decreased from 77.78% to 72.39% for the same period.

This is primarily attributable to the following factors:

#### Direct operational expenses

Direct operational expenses increased by 44.03% from ₹ 10,364.2 lakhs in Fiscal 2011 to ₹ 14,927.96 lakhs in Fiscal 2012, primarily due to increase in content cost and to build a future content pipeline. Direct operational expenses as a percentage of total income marginally increased from 65.01% to 79.78% for the same period.

#### Changes in Inventories

Change in inventory increased by 2,490.17% from ₹ (169.05) lakhs in Fiscal 2011 to ₹ (4,378.78) lakhs for the fiscal 2012. This accounted for a part of the increase in direct operational expenses.

#### Employee Benefit Expenses

Our Employee benefit expenses increased 48.76% from ₹ 995.81 lakhs in Fiscal 2011 to ₹ 1,481.35 lakhs in Fiscal 2012, primarily due to an increase in the number of employees commensurate with the increase in business and an annual increase in salaries. The employee benefit expenses as a percentage of total income increased from 6.25% to 7.92% for the same period.

### Other Expenses

Other expenses increased by 24.94% from ₹ 1,213.14 lakhs in Fiscal 2011 to ₹ 1,515.67 lakhs in Fiscal 2012, primarily due to increase in statutory and legal fees and repair and maintenance expenses. However, other expenses as a percentage of total income marginally increased from 7.61% to 8.10% for the same period.

### Earnings before Interest, Depreciation, Tax and Extraordinary Item (EBITDA)

EBITDA increased by 45.99% from ₹ 3,538.20 lakhs in Fiscal 2011 to ₹ 5,165.45 lakhs in Fiscal 2012 due to higher revenue, inventories and better operating efficiency. EBITDA margin improved from 22.19% to 27.61% for the same period.

### Financial Costs

Financial expenses increased by 25.93%, from ₹ 1,529.85 lakhs in Fiscal 2011 to ₹ 1,926.48 lakhs in Fiscal 2012, primarily due to higher borrowing during the year. Financial expense as a percentage of total income increased from 9.60% to 10.30% for the same period on account increase in borrowing facilities during the year.

### Depreciation and amortization expense

Depreciation increased by 8.55% from ₹ 271.34 lakhs in Fiscal 2011 to ₹ 294.53 lakhs in Fiscal 2012, primarily due to addition in gross block. Depreciation as a percentage of total income decreased from 1.70% to 1.57% for the same period as the percentage increase in total income was higher than addition in Gross Block of Fixed Assets.

### Profit before tax and extraordinary items (PBT)

PBT increased significantly by 69.51% from ₹ 1,737.01 lakhs in Fiscal 2011 to ₹ 2,944.43 lakhs in Fiscal 2012. PBT margin as a percentage of total income increased from 10.90% to 15.74% for the same period.

### Tax Expense

The tax expense increased by 110.15% from ₹ 369.55 lakhs in Fiscal 2011 to ₹ 776.63 lakhs in Fiscal 2012. The primary component of this increase was current income tax.

### Profit after tax (PAT)

For the reasons discussed above, PAT increased by 58.53% from ₹ 1,367.46 lakhs in Fiscal 2011 to ₹ 2,167.80 lakhs in Fiscal 2012. PAT margin increased from 8.58% to 11.59% for the same period.

### Net Profit after extraordinary Items and after adjusting for profit/ (loss) of associate

The net profit after extraordinary items increased by 53.56% ₹ 1,363.44 lakhs in Fiscal 2011 to ₹ 2,093.71 lakhs in Fiscal 2012. Net profit after extraordinary items as a percentage of total income increased from 8.55% to 11.19% for the same period.

### Cash Flows

The table below sets forth selected data with respect to our cash flows for the periods presented:

**Rupees in Lakhs**

Particulars	For the year ended March 31,				
	2014	2013	2012	2011	2010
Net cash from operating activities	(1,937.17)	(107.12)	1,455.09	2,274.10	1,196.48
Net cash from investing activities	(125.05)	(100.79)	(608.73)	(898.94)	32.11
Net cash used in financing activities	2,042.12	(333.68)	(888.44)	(2,536.70)	(891.59)
Net increase/(decrease) in cash & cash equivalents	(20.10)	(541.59)	(42.08)	(1,161.55)	337.00

Particulars	For the year ended March 31,				
	2014	2013	2012	2011	2010
Cash and cash equivalents as at the beginning of the year	112.65	654.23	696.31	1,857.86	1,520.86
Cash and cash equivalents as at the end of the year	92.55	112.65	654.23	696.31	1,857.86

### Cash Flows from Operating Activities

Cash flows from operating activities represent our cash flows from our operations of (I) Content Ownership, and, (II) Distribution and other related services.

The net cash used in operating activities in Fiscal 2014 was ₹ 1,937.17 lakhs, primarily due to increase in inventories and trade receivables as a result of our company achieving higher operational scale.

The net cash used in operating activities in Fiscal 2013 was ₹ 107.12 lakhs, primarily due to increase in inventories as a result of our company achieving higher operational scale.

The net cash from operating activities in Fiscal 2012 was ₹ 1,455.09 lakhs, primarily due to increase in inventories as result company achieving higher operational scale.

The net cash from operating activities in Fiscal 2011 was ₹ 2,274.10 lakhs, primarily due to an increase in receivables.

The net cash from operating activities in Fiscal 2010 was ₹ 1,196.48 lakhs, primarily due to net profits, increase in payables and reduction in advance for content.

### Cash Flows from Investing Activities

The cash flow from or used in investing activities represents mainly from purchase and sale of Fixed Assets, purchase and sale of investments, interest income and dividend income.

Net cash used in investing activities was ₹ 125.05 lakhs during Fiscal 2014, primarily due to Increase in fixed assets.

Net cash used in investing activities was ₹ 100.79 lakhs during Fiscal 2013, primarily due to Increase in fixed assets.

Net cash used in investing activities was ₹ 608.73 lakhs during Fiscal 2012, primarily due to increase in fixed assets and investment made in associate.

Net cash used in investing activities was ₹ 898.94 lakhs during Fiscal 2011, primarily due to increase in fixed assets and investment made in Bank Fixed deposits and associate company.

Net cash from investing activities was ₹ 32.11 lakhs during Fiscal 2010, primarily due to increase in interest income.

### Cash Flows from Financing Activities

Our cash flow from or used in our financing activities is determined primarily by the level of our borrowings, the schedule of principal and interest payments on borrowings, and payment of dividends.

For Fiscal 2014, our cash from financing activities was ₹ 2,042.12 lakhs. This reflected increase in short term borrowings and long term borrowings.

For Fiscal 2013, our cash used in financing activities was ₹ 333.68 lakhs. This reflected decrease in long term borrowings and payment of financial expenses.

For Fiscal 2012, our cash used in financing activities was ₹ 888.44 lakhs. This reflected decrease in long term borrowings and payment of financial expenses.

For Fiscal 2011, our cash used in financing activities was ₹ 2,536.7 lakhs. This reflected decrease in long term borrowings and payment of financial expenses.

For Fiscal 2010, our cash used in financing activities was ₹ 891.59 lakhs. This reflected decrease in long term borrowings and payment of financial expenses.

## Indebtedness

*Rupees in Lakhs*

Particulars	As of 31 <sup>st</sup> March,				
	2014	2013	2012	2011	2010
<b>Secured Loans</b>					
Working Capital Loan (Bank Overdraft / Cash Credit )	9,625.76	7,583.30	7,232.25	5,543.66	5,068.08
Term Loan & Line of Credit	4,204.23	1,243.70	2,236.78	2,554.62	2,772.26
<b>Total</b>	<b>13,829.99</b>	<b>8,827.00</b>	<b>9,469.03</b>	<b>8,098.28</b>	<b>7,840.34</b>
<b>Unsecured Loans</b>					
From Directors	375.45	795.75	374.30	453.50	1,107.00
From Banks	1,138.57	764.27	579.81	517.65	391.22
From related Parties	15.75	248.25	250.00	275.00	224.00
Inter Corporate Deposits	1,803.00	345.00	12.00	1,500.00	1,300.00
From Others	1,156.00	1,255.00	320.00	-	-
<b>Total</b>	<b>4,488.77</b>	<b>3,408.27</b>	<b>1,536.11</b>	<b>2,746.15</b>	<b>3,022.22</b>

## Contingent Liabilities

Our contingent liabilities not provided for as of 31st March are as follows:

*Rupees in Lakhs*

Particulars	As of 31 <sup>st</sup> March,				
	2014	2013	2012	2011	2010
Bank Guarantees	20.00	12.00	5.00	1.63	1.63
Estimated amount of contracts remaining to be executed on capital account	-	5.00	5.00	1.25	0.48
Disputed Direct Tax Demands	75.24	-	-	-	202.97
Disputed Indirect Tax Demands	161.01	-	-	-	342.40
Legal Cases against the company	227.48	180.51	180.51	180.51	185.13
Uncalled liability on Partly Paid Shares	-	-	-	342.00	-
Bills of exchange discounted with Bank	-	-	4,332.19	1,980.00	495.00
<b>Total</b>	<b>483.73</b>	<b>197.51</b>	<b>4,522.70</b>	<b>2,505.39</b>	<b>1,227.60</b>

## Capital Expenditure

The following table sets forth our capital expenditures, including additions of tangible fixed assets and intangible fixed assets, for the years ended March 31, 2014, 2013, 2012, 2011 and 2010.

	2014	2013	2012	2011	2010
Purchase of Fixed Assets	188.77	198.55	415.76	182.26	69.34
<b>Total</b>	<b>188.77</b>	<b>198.55</b>	<b>415.76</b>	<b>182.26</b>	<b>69.34</b>

## Transactions with Associates and Related Parties

From time to time, we enter into transactions with companies which are controlled by members of our Promoter Group and other related parties in the ordinary course of our business. For details regarding our related party transactions, see "Financial Statements — Related Party Transactions" on pages 181 to 185 and 226 to 229 of this Prospectus.

## Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including credit risk, interest rate risk, commodity risk, currency exchange risk inflation and commodity risk. We are exposed to different degrees of these risks in the normal course of our business.

## Credit Risk

Trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is our policy to monitor the financial standing of these counter-parties ongoing basis to ensure that we are exposed to minimal credit risk.

## **Interest Rate Risk**

As at July 31, 2014, majority of our indebtedness was subject to floating rates of interest linked to the benchmark prime lending rate (“**BPLR**”) and is thereby exposed to changes in interest rates. In addition, the interest rates for our indebtedness are subject to periodic resets. Upward fluctuations in interest rates increase the cost of our borrowings.

We do not currently use any instruments such as interest rate swaps, options and other derivative instruments for the purposes of mitigating our exposure to interest rate risk. However, this is kept under review, and we may enter into such instruments in the future.

## **Currency exchange risk**

We have incurred and expect to incur expenditure and earn revenue denominated in foreign currencies in the course of our operations when acquiring or monetising our content and in respect of overseas market. Any fluctuation of the Indian Rupee against the currency in which we have an exposure may increase the Indian Rupee costs to us of our expenditure or may reduce the revenue to us.

We currently do not use foreign currency hedging instruments to manage the volatility associated with foreign currency payments and risks. However, this is kept under review, and the Company may enter into such instruments in the future.

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

## **Unusual or Infrequent Events or Transactions**

Except there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

**Significant Economic Changes that Materially Affected or are Likely to affect income from Continuing Operations**

Except as described in the section titled "Industry" beginning on page 100 of this Prospectus, to our knowledge, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

## **Known Trends or Uncertainties**

Except as described in sections titled "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 15 and 254 of this Prospectus respective, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

## **Future Relationship between Cost and Income**

Except as described in the sections titled "Risk Factor," "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," beginning on page 15, 113 and 254 of this Prospectus, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

## **New Products or Business Segments**

We intend to broad base our revenue streams by further increasing our distribution of our content through new media avenues, such as MVAS, internet, DTH, video on demand services and IPTV platforms. For instance, we have entered into arrangements with technology providers to power video delivery platforms in the backend where we offer combined solutions of video delivery platform plus video content to telecom operators.

## **Seasonality of Business**

Our revenue and operating results are seasonal in nature due to the impact on income of the timing of advertising spend, acquisition activities of television broadcasters and overall entertainment consumption patterns of consumers. Entertainment consumption patterns and advertising spends have traditionally been highest during school holidays, national holidays and the festivals. They are also affected by competing leisure and entertainment activities such as cricket among others. As a result quarterly results can vary from one year to the next and the results of one quarter are not necessarily indicative of results for the next or any future quarter.

**Total turnover of each industry segment in which the Company operates**

The details of turnover during fiscal 2014, 2013, 2012, 2011 and 2010 are stated as above.

**Significant Dependence on a Group of Customers**

Broadcast syndication is one of our major activities. Television broadcasters source content from us and telecast it across their bouquet of channels, which include GECs as well as movie channels. As the content is procured by the television broadcasters at a bouquet level and there are a limited number of such broadcasters, the number of prospective buyers for our content is limited.

**Competitive Conditions**

Please see "Business – Competition", "Risk Factors" and "Industry" on page 128, 18 and beginning on page 100 of this Prospectus, respectively, for discussions regarding competition.



## FINANCIAL INDEBTEDNESS

### I. SECURED BORROWINGS

Set forth below, is a brief summary of our Company's major outstanding secured borrowings, of ₹ 9,756.30 lakhs as of July 31, 2014 together with a brief description of certain significant terms of such financing arrangements.

#### Working Capital

Set forth below are the details of the working capital facilities availed by our Company:

Name of the lender	Documentation	Sanctioned amount (₹ in lakhs)	Total outstanding amount as on July 31, 2014 (₹ in lakhs)		Interest rate (p.a.)	Repayment schedule
			Fund based	Non-fund based		
NKGSB Co-operative Bank Limited. <sup>(1)</sup>	Sanction letter dated November 6, 2013	2,500.00	2,459.00	-	PLR - 0.75% i.e. 14% p.a. with monthly rests	Renewable annually
Shamrao Vithal Co-operative Bank Limited <sup>(2)</sup>	Sanction letter dated March 19, 2014	4,000.00	3,902.39	-	PLR - 3.50% i.e. 14% p.a.	Renewable annually
Bank of India <sup>(3)</sup>	Sanction letter dated June 30, 2014	3,500.00	3,394.91	-	Base rate + 3.65% i.e. 13.85% p.a.	Renewable annually
<b>Total (A)</b>		<b>10,000.00</b>	<b>9,756.30</b>	<b>-</b>		

The following security has been created for the abovementioned facilities:

<sup>(1)</sup> (i) Hypothecation of stock and book debts. (ii) First pari passu charge under consortium with Shamrao Vithal Co-operative Bank and Bank of India on Shop No. 3 Om Chambers Kemps Corner, Mumbai, Office Premises at Plot No. 18 & Plot No. 16, Marol Cooperative Industrial Estate, Off Andheri Kurla Road, Marol, Andheri East, Mumbai 59 and Office No. 202, 301, 302 at Boolani Estate Owners Co-op Society Ltd, Link Road, Andheri West, Mumbai -53 as collateral security. (iv) Personal guarantee of Mr. Buddhichand Maroo, Mr. Raman Maroo, Mr. Atul Maru, Mr. Jai Maroo and Mr. Hiren Gada.

<sup>(2)</sup> (i) Hypothecation of stock and book debts. (ii) First pari passu charge under consortium with NKGSB Co-operative Bank Limited and Bank of India on Shop No. 3 Om Chambers Kemps Corner, Mumbai, Office Premises at Plot No. 18 & Plot No. 16, Marol Cooperative Industrial Estate, Off Andheri Kurla Road, Marol, Andheri East, Mumbai 59 and Office No. 202, 301, 302 at Boolani Estate Owners Co-op Society Ltd, Link Road, Andheri West, Mumbai -53 as collateral security. (iv) Personal guarantee of Mr. Buddhichand Maroo, Mr. Raman Maroo, Mr. Atul Maru, Mr. Jai Maroo and Mr. Hiren Gada.

<sup>(3)</sup> (i) Hypothecation of stock and book debts. (ii) First pari passu charge under consortium with NKGSB Co-operative Bank Limited and Shamrao Vithal Co-operative Bank on Shop No. 3 Om Chambers Kemps Corner, Mumbai, Office Premises at Plot No. 18 & Plot No. 16, Marol Cooperative Industrial Estate, Off Andheri Kurla Road, Marol, Andheri East, Mumbai 59 and Office No. 202, 301, 302 at Boolani Estate Owners Co-op Society Ltd, Link Road, Andheri West, Mumbai -53 as collateral security. (iv) Personal guarantee of Mr. Buddhichand Maroo, Mr. Raman Maroo, Mr. Atul Maru, Mr. Jai Maroo and Mr. Hiren Gada.

#### Term Loan

Set forth below are the details of the short term loan facility availed by our Company:

Name of the lender	Documentation	Sanctioned amount (₹ in lakhs)	Total outstanding amount as on July 31, 2014 (₹ in lakhs)	Interest rate (p.a.)	Repayment schedule
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			Fund based	Non-fund based		
EXIM Bank <sup>(4)</sup>	Loan agreement dated July 17, 2013 and sanction letter dated June 27, 2013.	2,100.00	346.96	-	LTMLR + 390 bps per annum payable monthly on the 20 <sup>th</sup> day of each month (current LTMLR is at 10.40%) i.e. 14.30%	Repayment to be made before the release of the film (3 Shots - That Shook The Nation) but not later than 24 months from the date of the first disbursement
<b>Total</b>		<b>2,100.00</b>	<b>346.96</b>	-		

<sup>(4)</sup> (i) A first charge by way of hypothecation over movable assets including all tangible and intangible movable assets pertaining to the Film/Project financed by EXIM Bank, both present and future, including all of the physical properties, of every kind or nature or relating to the film and all versions thereof, relating to their development, production, completion, delivery, exhibition, distribution or other exploitation rights therein and all versions thereof or any part thereof, including without limitation, the properties of exposed film, developed film, special effects, pre-print materials, sound tracks, recordings, audio and video tapes and discs of all types and gadgets etc pertaining to the film and the copyrights of the said film, trademark and trade name etc of the film; (ii) Establishment of Trust and Retention Account into which all cash inflows of the project is to be routed and shall be utilised in a manner and priority decided by EXIM Bank. The appointment of a Trustee for operating the above account shall be subject to the approval of EXIM Bank; (iii) A charge by way of hypothecation over all of our Company's revenues/receivables generated/to be generated out of films/projects, financed by EXIM Bank as also the amounts pertaining to the project's banking operations including its Trust and Retention Account.

## II. UNSECURED BORROWINGS

As on July 31, 2014, our Company has availed of unsecured loans of ₹ 9,090.25 lakhs. Set forth below are the details of these unsecured loans:

Name of the lender	Nature of facility	Sanctioned amount (₹ in lakhs)	Outstanding amount (₹ in lakhs)		Interest rate (p.a.)	Repayment schedule / tenor
			Fund based	Non-fund based		
Promoters	Unsecured loan	N.A.	855.00	-	12.50%	Repayment on demand
Directors, Promoter Group and Relatives	Unsecured loan	N.A.	136.00	-	12.50%	Repayment on demand
Banks / Financial Institution	Overdraft Facility	2,100.00	2,113.03 (including interest component)	-	Overnight NSE MIBOR + 2%	Repayment on demand
Banks / Financial Institution	Unsecured loan	1,500.00	1,397.22	-	Base Rate + 130 bps or such other rate as may be applicable from time to time (Current base rate is 10.00%) i.e. 11.30%	Bullet repayment at the end of 12 months
Others	Inter Corporate Deposit / Unsecured loan	N.A.	4,589.00	-	Various	Repayment on demand
<b>Total</b>			<b>9,090.25</b>			

Name of the lender	Documentation	Nature of facility	Amount Sanctioned (₹ in lakhs)	Outstanding amount (₹ in lakhs)		Interest rate (p.a.)	Repayment schedule / tenor
				Fund based	Non-fund based		
Promoters							
Mr. Atul Maru	N.A.	Unsecured loan	N.A	505.00	-	12.50%	Repayment on demand
Mr. Raman Maroo	N.A.	Unsecured loan	N.A.	350.00	-	12.50%	Repayment on demand
Directors, Promoter Group and Relatives							
Mr. Hiren Gada	N.A.	Unsecured loan	N.A.	6.05	-	12.50%	Repayment on demand
Mr. Jai Maroo	N.A.	Unsecured loan	N.A.	114.20	-	12.50%	Repayment on demand
Ms. Smita Maroo	N.A.	Unsecured loan	N.A.	15.75	-	12.50%	Repayment on demand
Banks / Financial Institution							
Deutsche Bank	Sanction letters dated September 9, 2009 June 28, 2010, September 20, 2013, February 21, 2014, April 09, 2014 and June 10, 2014	Overdraft Facility	2,100.00	2,113.03 (including interest component)	-	Overnight NSE MIBOR + 2%	Repayable on demand
HDFC Bank	Sanction letters dated September 21, 2013 and October 23, 2013	Unsecured loan	1,500.00	1,397.22	-	Base Rate + 130 bps or such other rate as may be applicable from time to time (Current base rate is 10.00%) i.e. 11.30%	Bullet Repayment at the end of 12 months
Others							
Others	N.A.	Unsecured loan	N.A.	4,589.00	-	Various	Repayment on demand
Total				9,090.25			

*Material Covenants:*

Under the above mentioned facilities, our Company requires the prior consent of the lenders for certain corporate actions including:

- Changes in capital structure
- Scheme of amalgamation/ restructuring
- Cross default provisions
- Declaration of dividend and/or bonus
- Implementation of scheme of expansion or acquisition of assets
- Making investments/advances or deposit amounts with any concern
- Investments in subsidiaries/ group companies etc.
- Change in management/ control/ shareholding of Promoters
- Any change in the ownership or control of our Company which may change the effective beneficial ownership or control of our Company;

### III. CHARGES/GUARANTEES

#### 1. Charges

Set forth below are the details of charges created on our properties/assets in order to secure financial assistance provided to us:

Sr. No.	Borrower	Lender	Amount (₹ in lakhs, unless stated otherwise)	Date of creation/modification of charge	Details of property/assets charged
1.	Shemaroo Entertainment Limited	NKGSB Co-operative Bank	6,000	November 05, 2011	First pari passu charge under consortium with Shamrao Vithal Co-operative Bank - Hypothecation of stock and book debts. - Personal guarantee of the Mr. Buddhichand Maroo, Mr. Raman Maroo, Mr. Atul Maru, Mr. Jai Maroo and Mr. Hiren Gada.
2.	Shemaroo Entertainment Limited	NKGSB Co-operative Bank	8,500	March 19, 2012	First Pari passu charge on Plot No-18 and Plot No 16, Unit No. 202, 301 & 302, Boolani Estate, Plot Number B-41, Link Road, Andheri (West), Mumbai 400 053, Shop Number 3 Ground Floor, Om Chambers, August Kranti Marg, Kemps Corner, Mumbai 400 036.
3.	Shemaroo Entertainment Limited	NKGSB Co-operative Bank	8,500	March 19, 2012	First pari passu charge under consortium with Shamrao Vithal Co-operative Bank and Bank of India - Hypothecation of stock and book debts. - Personal guarantee of the Mr. Buddhichand Maroo, Mr. Raman Maroo, Mr. Atul Maru, Mr. Jai Maroo and Mr. Hiren Gada.
4.	Shemaroo Entertainment Limited	NKGSB Co-operative Bank	8,000	April 28, 2012	First pari passu charge under consortium with Shamrao Vithal Co-operative Bank and Bank of India on Office No. 3 Om Chambers Kemps Corner, Mumbai, Office Premises at Plot No. 18 & Plot No. 16, Marol Cooperative Industrial Estate, Off Andheri Kurla Road, Marol, Andheri East, Mumbai 59, Office No. 202, 301, 302 at Boolani Estate Owners Co-op Society Ltd, Link Road, Andheri West, Mumbai -53 as collateral security.
5.	Shemaroo Entertainment Limited	NKGSB Co-operative Bank	8,000	April 28, 2012	First pari passu charge under consortium with Shamrao Vithal Co-operative Bank and Bank of India - Hypothecation of stock and book debts. - Personal guarantee of the Mr. Buddhichand Maroo, Mr. Raman Maroo, Mr. Atul Maru, Mr. Jai Maroo and Mr. Hiren Gada.
6.	Shemaroo Entertainment Limited	Export Import Bank of India	1,500	October 12, 2011	(i) A first charge by way of hypothecation over movable assets including all tangible and intangible movable assets pertaining to the

Sr. No.	Borrower	Lender	Amount (₹ in lakhs, unless stated otherwise)	Date of creation/modification of charge	Details of property/assets charged
					Film/Project financed by EXIM Bank, both present and future, including all of the physical properties, of every kind or nature or relating to the film and all versions thereof, relating to their development, production, completion, delivery, exhibition, distribution or other exploitation of the rights therein and all versions thereof or any part thereof, including without limitation, the properties of exposed film, developed film, special effects, pre-print materials, sound tracks, recordings, audio and video tapes and discs of all types and gadgets etc pertaining to the film and the copyrights of the said film, trademark and trade name etc of the film;(ii) Establishment of Trust and Retention Account into which all cash inflows of the project is to be routed and shall be utilised in a manner and priority decided by EXIM Bank. The appointment of a Trustee for operating the above account shall be subject to the approval of EXIM Bank; (iii) A charge by way of hypothecation over all of our Company's revenues/receivables generated/to be generated out of films/projects, financed by EXIM Bank as also the amounts pertaining to the project's banking operations including its Trust and Retention Account.
7.	Shemaroo Entertainment Limited	Export Import Bank of India	2,100	July 17, 2013	(i) A first charge by way of hypothecation over movable assets including all tangible and intangible movable assets pertaining to the Film/Project financed by EXIM Bank, both present and future, including all of the physical properties, of every kind or nature or relating to the film and all versions thereof, relating to their development, production, completion, delivery, exhibition, distribution or other exploitation of the rights therein and all versions thereof or any part thereof, including without limitation, the properties of exposed film, developed film, special effects, pre-print materials, sound tracks, recordings, audio and video tapes and discs of all types and gadgets etc pertaining to the film and the copyrights of the said film, trademark and trade name etc of the film;(ii) Establishment of Trust and Retention Account into which all cash inflows of the project is to be routed and shall be utilised in a manner and priority

Sr. No.	Borrower	Lender	Amount (₹ in lakhs, unless stated otherwise)	Date of creation/modification of charge	Details of property/assets charged
					decided by EXIM Bank. The appointment of a Trustee for operating the above account shall be subject to the approval of EXIM Bank; (iii) A charge by way of hypothecation over all of our Company's revenues/receivables generated/to be generated out of films/projects, financed by EXIM Bank as also the amounts pertaining to the project's banking operations including its Trust and Retention Account.

## 2. Guarantees\*

Set forth below are the details of guarantees given by our Company as on July 31, 2014:

Sr. no.	In favour of	Date of guarantee	On behalf of	Purpose
1.	Bharat Sanchar Nigam Limited	L/G/1245/8/2013 dated August 23, 2013	Shemaroo Entertainment Limited	Providing SMS / DATA / 3G CONTENT in BSNL
2.	Mahanagar Telephone Nigam Limited	36/6 dated July 11, 2012	Shemaroo Entertainment Limited	Providing MVAS services on GSM Network of MTNL
3.	Mahanagar Telephone Nigam Limited	36/7 dated August 13, 2013	Shemaroo Entertainment Limited	Providing SMS / WAP / IVR / IVVR Services for GSM Networks in MTNL
4.	Mahanagar Telephone Nigam Limited	36/8 dated August 13, 2013	Shemaroo Entertainment Limited	Providing SMS / WAP / IVR / IVVR Services for GSM Networks in MTNL
5.	Mahanagar Telephone Nigam Limited	36/9 dated November 11, 2013	Shemaroo Entertainment Limited	Providing SMS / WAP / SMS / GPRS services on GSM Network of MTNL
6.	Mahanagar Telephone Nigam Limited	36/10 dated November 11, 2013	Shemaroo Entertainment Limited	Providing SMS / WAP / IVR Services on GSM Network of MTNL

\* The aforementioned performance guarantees are given by Indian Overseas Bank and NKGSB Co-operative Bank Limited in favour of the aforementioned parties on behalf of our Company.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below (i) there are no pending suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, our Subsidiaries, Directors, Promoters and Group Companies or against any other company whose outcome could have a materially adverse effect on the business, operations or financial position of our Company, and (ii) there are no defaults including non-payment or overdue of statutory dues, over-dues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holders of any debenture, bonds and fixed deposits or arrears on cumulative preference shares issued by our Company, Promoters and Group Companies and entities, defaults in creation of full security as per the terms of issue/other liabilities, legal proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company or our Subsidiaries except as stated below, and (iii) no disciplinary action has been taken by SEBI or any stock exchange against our Company, Subsidiaries, Promoters, Group Companies or Directors.

Further, (i) neither our Company nor our Promoters, relatives of Promoters, Subsidiaries, members of our Promoter Group, Group Companies, and Directors, have been declared as wilful defaulters by the RBI or any other governmental authority and, (ii) except as disclosed in this Section, there are no violations of securities laws committed by them or penalties imposed on them thereunder in the past or pending against them, and adverse findings regarding compliance with securities laws.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus.

#### Contingent liabilities

Our contingent liabilities not provided for as of March 31, 2014 is as follows:

Particulars	AS AT MARCH 31,				
	2014	2013	2012	2011	2010
Bank Guarantee	20.00	12.00	5.00	1.63	1.63
Estimated amount of contracts remaining to be executed on capital account	-	5.00	5.00	1.25	0.48
Disputed Direct Tax Demands	75.24	-	-	-	202.97
Disputed Indirect Tax Demands	161.01	-	-	-	342.40
Legal Cases against our Company	227.48	180.51	180.51	180.51	185.13
Uncalled liability on Partly Paid Shares	-	-	-	342.00	-
Bills of exchange discounted with Bank	-	-	4,332.19	1,980.00	495.00
<b>T O T A L</b>	<b>483.73</b>	<b>197.51</b>	<b>4,522.70</b>	<b>2,505.39</b>	<b>1,227.60</b>

#### I. Pending proceedings involving our Company:

##### 1. Legal proceedings initiated against our Company:

##### (i) CRIMINAL PROCEEDINGS:

- (a) Mr. Prem Prakash Mahajan “**Complainant**”, proprietor of M/s Mahajan Video, has filed a First Information Report (FIR No. 180) “**FIR**”, dated September 1, 2009, before the Office of the Assistant Commissioner of Police, IPR Section, Economic Offences Wing, Crime Branch, New Delhi, (“**ACP, Economic Offences Wing**”) against our Company and certain other parties, (“**Defendants**”) for alleged violation of sections 64/63 of the Copyright Act, 1957 and sections 420, 468 and 471 of Indian Penal Code, 1860. The Complainant has alleged that the Complainant was threatened by the Defendants for distributing certain films without obtaining a license to distribute such films. Our Company received notices dated February 22, 2010 and April 29, 2011 from the ACP, Economic Offences Wing in connection with the above. In reply to such notices, our Company has vide letters dated March 11, 2010

and May 25, 2011 clarified that our Company holds exclusive and perpetual rights over the two films specified therein. The complaint is pending hearing and final disposal.

- (b) Victoria Entertainment Private Limited, (the “**Complainant**”) has initiated proceedings (No. 67/M/10) against our Company and others before the Metropolitan Magistrate 32<sup>nd</sup> Court, Bandra (East) under section 202 of the Code of Criminal Procedure, 1973 in connection with exhibition of the film “Love Khichdi” by Air India on their flights. A notice has been issued to our Company by the Inspector, Kerwadi Police Station, pursuant to a direction from the Metropolitan Magistrate 32<sup>nd</sup> Court and the Complainant’s allegation that, in the agreement dated September 10, 2009 for transfer of rights between the Complainant and our Company, airborne rights were not transferred. Our Company has filed a reply vide letter dated December 23, 2010 denying the allegations made by the Complainant before the Inspector, Kerwadi Police Station and challenging the validity of the complaint before a criminal forum as the dispute is civil in nature. No summons has been issued by the Metropolitan Magistrate 32<sup>nd</sup> Court since. There is no monetary claim for relief against our Company and the complaint is pending hearing and final disposal.

## (ii) **TAXATION PROCEEDINGS**

- (a) The Assessing Officer of Income Tax Office (TDS), Mumbai, has issued an order dated March 19, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 19, 2011, to our Company in respect of the assessment year 2009-10 demanding ₹ 10.97 lakhs as tax deductible at source, payable by our Company, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. Our Company has replied to the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there was an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. Our Company has not received any further communication from the Income Tax Office in this regard. Our Company has made an application for stay of demand of ₹ 10.97 lakhs vide letter dated May 2, 2011. Our Company filed a correction statement for rectifying the mistake in amount demanded pursuant to which amount has been reduced to ₹ 63,000 vide order dated March 12, 2012. No further communication has been made or received in this regard.
- (b) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 18, 2011, under Section 210(1)/ 201(1A) of the Income Tax Act, 1961 along with a notice of demand dated March 18, 2011, to our Company, for the assessment year 2009-10, demanding ₹ 15.6 lakhs as tax deductible at source payable by our Company, on account of Short deduction/collection, amount deducted not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961 (the “IT Act”). Our Company has replied to the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there was an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. Our Company has made an application for stay of demand of ₹ 15.6 lakhs vide letter dated May 2, 2011. On April 29, 2014, our Company received intimation under Section 154 of the IT Act, with a reduced demand of ₹ 68,160 for additional late payment interest against the processing of latest correction. Subsequently, on May 29, 2014, our Company received intimations under Section 154 of the IT Act, demanding an amount of ₹ 306.19 lakhs and ₹ 459.41 lakhs, on account of short payment and interest thereon and interest on late payment. Our company has filed a correction statement for rectifying the mistake in the amount demanded; pursuant to which the amount has been reduced to ₹ 76,270 and ₹ 77,000, vide intimations under Section 154 of the IT Act. No further communication has been made or received in this regard.
- (c) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 19, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated January 12, 2011, to our Company, for assessment year 2009-10, demanding ₹ 290 lakhs as tax deductible at source payable by our Company, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. Our Company has replied to the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there is an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. Our Company has not received any further communication from the Income Tax Office in this regard. Our Company has made an application for stay of demand of ₹ 290 lakhs vide letter dated May 2, 2011. Our Company filed a correction statement for rectifying the mistake in the amount demanded; pursuant to which the amount has been reduced to ₹ 2.73 lakhs vide order dated February 17, 2012. Thereafter, the amount was further reduced to ₹ 51,720 vide order dated June 27, 2012. No further communication has been made or received in this regard.



- (d) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 17, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 17, 2011, to our Company, for the assessment year 2010-11, demanding ₹ 15 lakhs as tax deductible at source, payable by our Company, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income tax Act, 1961. Our Company has replied the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed and (ii) there is an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. Our Company has made an application for stay of demand of ₹ 15 lakhs vide letter dated May 2, 2011. No further communication has been made or received in this regard.
- (e) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated January 23, 2012, under Section 210(1)/201(1A) of the Income Tax Act, 1961 (the "IT Act"), along with a notice of demand dated January 23, 2012, to our Company, for the assessment year 2011-12, demanding ₹ 18.71 lakhs as tax deductible at source, payable by our Company, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. Our Company has submitted that the discrepancies in the records are due to data entry errors for which correction statements have already been filed. On April 24, 2014, our Company received intimation under Section 154 of the IT Act, with a reduced demand of ₹ 4.35 lakhs towards short payment and interest on short payment. No further communication has been received by our Company in this regard.
- (f) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated February 3, 2012, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated February 3, 2012, to our Company, for the assessment year 2010-11, demanding ₹ 2320 as tax deductible at source, payable by our Company, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. Our Company has submitted that the discrepancies in the records are due to data entry errors for which correction statements have already been filed and however our Company has not received any further communication from the Income Tax Office in this regard.
- (g) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated January 19, 2012, under Section 210(1)/201(1A) of the Income Tax Act, 1961 (the "IT Act"), along with a notice of demand dated January 19, 2012, to our Company, for the assessment year 2011-12, demanding ₹ 9.71 lakh as tax deductible at source, payable by our Company, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. Our Company has submitted that the discrepancies in the records are due to data entry errors for which correction statements have already been filed. On April 24, 2014, our Company received intimation under Section 154 of the IT Act, with a reduced demand of ₹ 2,060 for the second quarter of the financial year. Subsequently, on July 30, 2014, our Company received another intimation under Section 154 of the IT Act, whereby the demand was increased to ₹ 2,670. However, our Company has not received any further communication from the Income Tax Office in relation to the rest of the demand.
- (h) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated November 26, 2012, under Section 201(1)/ 201(1A) of the Income Tax Act, 1961, along with a notice of demand dated November 26, 2012, to our Company, for the assessment year 2009-10, demanding ₹ 6.84 lakh as tax deductible at source, payable by our Company, on account alleged non-payment of tax and applicable interest under 201(1)/ 201(1A) of the Income tax Act, 1961. Our Company has submitted that the discrepancies in the records are due to data entry errors for which correction statements have already been filed and however our Company has not received any further communication from the Income Tax Office in this regard.
- (i) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 9, 2013, under Section 201(1)/ 201(1A) of the Income Tax Act, 1961 (the "IT Act"), along with a notice of demand dated March 9, 2013, to our Company, for the assessment year 2009-10, demanding ₹ 46,114 as interest, payable by our Company, on account of the alleged late payment of tax, under 201(1)/ 201(1A) of the Income tax Act, 1961. On December 22, 2013, our Company received intimation under Section 154 of the IT Act, with a reduced demand of ₹ 29,430 towards additional late payment interest against the processing of latest correction. Our Company has filed a correction statement in response to the intimation. No further communication has been received by our Company in this regard.
- (j) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 9, 2013, under Section 201(1)/ 201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 9, 2013, to our Company, for the assessment year 2009-10, demanding ₹ 30,909 as interest, payable by

our Company, on account of the alleged late payment of tax, under 201(1)/ 201(1A) of the Income tax Act, 1961. No further communication has been made in this regard and our Company will reply/ take necessary action in due course.

- (k) The Assessing Officer of the Income Tax Office, Range 11(1), Mumbai, issued a notice dated March 23, 2013 under Section 148 of the Income Tax Act, 1961 (the "IT Act"), to our Company, for the assessment year 2009-10, proposing to re-assess the income for the said assessment year and requiring our Company to deliver its income tax return in the prescribed form to the relevant authority. The assessing officer completed the aforesaid assessment and vide an order dated December 20, 2013, under Section 143(3) of the IT Act, reduced the existing carry forward loss by ₹ 7.44 lakhs. Our Company has filed an appeal against the said assessment order before the Commissioner of Income-tax (Appeals) on February 6, 2014. No further communication has been received by our Company in this regard.
- (l) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 154 of the Income Tax Act, 1961 (the "IT Act"), dated December 16, 2013, for the assessment year 2008-09, demanding ₹ 2290 towards short deduction/collection and as interest on short deduction/collection. Subsequently, vide another intimation under Section 154 of the IT Act, dated April 7, 2014, an amount of ₹ 2470 was demanded towards short deduction/collection and as interest on short deduction/collection. As on date of this Prospectus, our Company has not filed any correction statement. Further, our Company has not received any further communication from the Income Tax Office in this regard.
- (m) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act"), dated February 27, 2014, for the assessment year 2014-15, with a demand of ₹ 2.39 lakhs for short payment, short deduction/collection, interest on short payment and interest on short deduction/collection. Our Company has filed a correction statement in relation to the intimation dated April 21, 2014. Subsequently, our Company received an intimation under Section 154 of the IT Act, dated April 24, 2014, with a reduced demand of ₹ 71,200 towards short payment, short deduction/collection, interest on short payment and interest on short deduction/collection. Thereafter, our Company received an intimation dated July 30, 2014, under Section 154 of the IT Act with a further reduced demand of ₹ 56,600. Our Company has not received any further communication from the Income Tax Office in this regard.
- (n) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act"), dated December 2, 2013, for the assessment year 2010-11, with a demand of ₹ 23.02 lakhs for short payment, short deduction/collection, interest on short payment and interest on short deduction/collection. Our Company has submitted that the discrepancies in the records were due to data entry errors, for which correction statements have already been filed. Subsequently, our Company received intimation under Section 154 of the IT Act, dated December 26, 2013, with reduced demand of ₹ 20.21 lakhs. Further, with an intimation dated April 23, 2014, the aforesaid demand was further reduced to ₹ 16,010. Our Company has not received any further communication from the Income Tax Office in this regard.
- (o) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act"), dated October 23, 2013, for the assessment year 2012-13, demanding ₹ 106 lakhs for short payment, short deduction/collection, interest on short payment, interest on late payment and interest on short deduction/collection. Our Company has submitted that the discrepancies in the records are due to data entry errors for which correction statements have already been filed. Subsequently, on December 22, 2013, our Company received intimation under Section 154 of the IT Act, with a reduced demand of ₹ 2.24 lakhs. Further, vide another intimation dated April 24, 2014, the demand was further reduced to ₹ 1.60 lakhs. Thereafter, on July 24, 2014, our Company received an intimation under Section 154 of the IT Act, for a demand of ₹ 7.92 lakhs which was subsequently reduced by another intimation received by our Company under Section 154 of the IT Act on July 30, 2014, to an amount of ₹ 46,160. Our Company has not received any further communication from the Income Tax Office in this regard.
- (p) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act"), dated June 21, 2013, for the assessment year 2013-14, with a demanded of ₹ 11,160 towards short payment and interest on short payment. Our Company has submitted that the discrepancies in the records are due to data entry errors for which correction statements have already been filed. Subsequently, our Company received an intimation under Section 154 of the IT Act, dated November 22, 2013, with a demand for ₹ 12,030. No further communication has been received by our Company in this regard.

- (q) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act"), dated June 21, 2013, for the assessment year 2013-14, with a demand of ₹ 3.08 lakhs for short payment and interest on short payment. Our Company has not filed any correction statement in respect to the said intimation as there were no discrepancies found in the original records and hence the demand raised is not taxable. No further communication has been received by our Company in this regard.
- (r) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act"), dated November 22, 2013 for the assessment year 2013-14, with a demand of ₹ 84.23 lakhs for short deduction/collection, interest on late payment, interest on short deduction/collection and interest on late deduction/collection. Our Company has submitted that the discrepancies in the records are due to data entry errors for which correction statements have already been filed. Subsequently, our Company received an intimation under Section 154, dated December 22, 2013, with a reduced demand of ₹ 55,100. Further, on April 24, 2014, our Company received another intimation with the demand further reduced to ₹ 5490. Thereafter, our Company received an intimation under Section 154 of the IT Act on June 12, 2014 for payment of ₹ 5580 towards short deduction/collection and interest thereon. No further communication has been received by our Company in this regard.
- (s) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act"), dated November 22, 2013, for the assessment year 2013-14, with a demand of ₹ 10460 for short payment, short deduction/collection, interest on short payment, interest on late payment, interest on short deduction/collection and interest on late deduction/collection. Our Company has not filled any correction statement in respect to intimation as there were no discrepancies found in the original records and hence the demand raised is not taxable. Subsequently, our Company received further intimation under Section 154 of the IT Act dated December 22, 2013, with a demand of ₹ 10580. Further, on April 24, 2014, our Company received further intimation under Section 154 of the IT Act with a reduced demand of ₹ 9,050. Subsequently, our Company received another intimation of the IT Act on June 12, 2014 for payment of ₹ 16,150 towards short payment, short deduction/collection and interest thereon. Thereafter, our Company received another intimation under Section 154 of the IT Act for a reduced demand of ₹ 9,450. No further communication has been received by our Company in this regard.
- (t) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 154 of the Income Tax Act, 1961 (the "IT Act"), dated December 22, 2013, for the assessment year 2013-14, with a demand of ₹ 46,160 for short payment, interest on short payment and interest on late payment. Additionally, our Company received an intimation under Section 200A the IT Act, dated November 22, 2013, with a demand of ₹ 58,850. Our Company has submitted that the discrepancies in the records are due to data entry errors for which correction statements have already been filed. Subsequently, our Company received intimation under Section 154 of the IT Act, dated April 24, 2014, with a reduced demand of ₹ 45,770. Thereafter, our Company received another intimation under Section 154 of the IT Act on June 14, 2014 for payment of ₹ 50280 towards short payment and interest thereon. No further communication has been received by our Company in this regard.
- (u) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 154 of the Income Tax Act, 1961 (the "IT Act"), dated December 22, 2013, for the assessment year 2013-14, demanding ₹ 2.75 lakhs for short payment, interest on short payment and interest on late payment. Additionally, our Company received and intimation under Section 200A of the IT Act, dated November 22, 2013, with a demand of ₹ 2.85 lakhs. Our Company has submitted that the discrepancies in the records are due to data entry errors for which correction statements have already been filed. Subsequently, our Company received an intimation under Section 154 of the IT Act, dated April 24, 2014, with a demand of ₹ 2.86 lakhs. Thereafter, our Company received another intimation under Section 154 of the IT Act on June 13, 2014 for payment of ₹ 2.93 lakhs towards short payment and interest thereon. No further communication has been received by our Company in this regard.
- (v) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act"), dated December 22, 2013 for the assessment year 2013-14, demanding ₹ 24,660 towards short deduction/collection and interest thereon. Additionally, our Company received an intimation under Section 154 of the IT Act, dated December 24, 2013, with a demand of ₹ 24660. Our Company has not filed any correction statement with respect to intimation received, as there were no discrepancies found in the original records and hence, the demand raised is not taxable. No further communication has been received by our Company in this regard.

- (w) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act"), dated September 3, 2013, for the assessment year 2014-15, with a demand of ₹ 1.75 lakhs for short deduction and interest thereon. Additionally, our Company received an intimation under Section 154 of the IT Act, dated September 27, 2013, with a demand of ₹ 47,910. Our Company has submitted that the discrepancies in the records are due to data entry errors for which correction statements have already been filed. Subsequently, our Company received an intimation under Section 154 of the IT Act, dated November 27, 2013, with a revised demand of ₹ 48,830. No further communication has been received by our Company in this regard.
- (x) The Assistant Commissioner of Income Tax, Mumbai issued a show cause notice and order under Section 271(1)(c) of the Income Tax Act, 1961 (the "IT Act"), dated September 17, 2013, for the assessment year 2010-11, with a demand of ₹ 55,926 as penalty payable by our Company on account of discrepancies in relation an addition to its total income on account of certain bogus purchases. Our Company, vide its response dated September 25, 2013, accepted the said addition made by the Assistant Commissioner of Income tax on account of bogus purchases. No further communication has been received by our Company in this regard.
- (y) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act"), dated November 25, 2013, for the assessment year 2010-11, with a demand of ₹ 25.09 lakhs. Additionally, our Company received an intimation under Section 154 of the IT Act, dated March 29, 2014, for the same period, demanding ₹ 17.64 lakhs towards short payment, short deduction/collection, interest on short payment and interest on short deduction/collection. No further communication has been received by our Company in this regard.
- (z) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 154 of the Income Tax Act, 1961, dated November 27, 2013 for the assessment year 2011-12, with a demand of ₹ 33,800 for short deduction and additional late payment interest against the processing of latest correction. Subsequently, our Company received an intimation dated July 30, 2014, under Section 154 of the IT Act with a further reduced demand of ₹ 36,460. Our Company has not submitted any correction statement as there are no discrepancies in the records. No further communication has been received by our Company in this regard.
- (aa) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act"), dated March 13, 2014, for the assessment year 2014-15, with a demand of ₹ 4.09 lakhs for short deduction/collection and interest thereon. Our Company has submitted that the discrepancies in the records are due to data entry errors for which correction statements have already been filed. Subsequently, on April 9, 2014, our Company received intimation under Section 154 of the IT Act, with a reduced demand of ₹ 9660. Thereafter, our Company received two intimations under Section 154 of the IT Act, for the payment of ₹ 9750 and ₹ 9,830, both towards short deduction/collection and interest thereon, on May 29, 2014 and June 2, 2014, respectively. Further, on July 30, 2014, our Company received an intimation under Section 154 of the IT Act, with a further reduced demand of ₹ 2,980. No further communication has been received by our Company in this regard.
- (bb) The Assistant Commissioner of Income Tax, Mumbai, issued a summary assessment intimation under Section 143(1) of the Income Tax Act, 1961, dated February 26, 2014, for the assessment year 2012-13, with a demand of ₹ 2.20 lakhs as tax payable by our Company. Our Company has not responded to the said intimation.
- (cc) The Joint Commissioner of Income Tax, Mumbai, issued a notice, dated March 27, 2014, under Section 274 of the Income Tax Act, 1961 (the "IT Act"), to show cause why an order imposing a penalty on our Company under Section 271 of the IT Act, in relation to the computation of the total income for assessment year 2011-12, not be made. Our Company has filed an appeal against the said show cause notice, under Section 246A(1)(a) of the IT Act before the Commissioner of Income-tax (Appeals), dated April 28, 2014. No further communication has been received by our Company in this regard.
- (dd) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued intimation under Section 154 of the Income Tax Act, 1961, dated April 24, 2014, for the assessment year 2012-13, demanding ₹ 20,220 on account of short payment, short deduction/collection, interest on short payment and interest on short deduction/collection. Subsequently, on July 23, 2014, our Company received an intimation under Section 154 of the IT Act, for a demand of ₹ 20,500. Our Company has not submitted any correction statement in relation to the matter as there are no discrepancies in the records. Our company has not received any further demand in relation to the same.

- (ee) The Deputy commissioner of Income Tax Office of the Income Tax Office (CPC-TDS), Mumbai, issued intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act") dated May 29, 2014 for the assessment year 2014-15 (26Q-4Q), demanding ₹ 2,73,530 as tax deductible at source, payable by our Company, on account of alleged short payment & deduction and applicable interest thereon as per the IT Act. Thereafter, our Company received another intimation under Section 154 received with amount of ₹ 5,40,520 on June 15, 2014 towards short payment and interest thereon. Our Company has submitted that the discrepancies in the records are due to data entry errors for which correction statements have already been filed. Our Company has received further intimation under Section 154 of the IT Act for a reduced demand of ₹ 2,76,250. Our Company has received further intimation under Section 154 of the IT Act dated June 25, 2014 for reduced payment of ₹ 1,07,210. On July 12, 2014 the said amount was corrected to ₹ 1,08,320. Further through another intimation dated July 18, 2014 the amount payable was corrected to ₹ 1,08,150. Subsequently, our Company received an intimation under Section 154 of the IT Act on August 9, 2014, for a reduced demand of ₹ 84,480. No further communication has been received by our Company in this regard.
- (ff) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act") dated July 18, 2014, for the assessment year 2015-16 (26Q-Q1) demanding an amount of ₹ 1,76,410/- on account of short deduction/collection and interest thereon. Subsequently, on July 25, 2014, our Company received an intimation under Section 154 of the IT Act, for a further reduced demand of ₹ 4,010. Our Company has not submitted any correction statement in relation to the matter.
- (gg) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued intimation under Section 154 of the Income Tax Act, 1961, dated July 30, 2014, for the assessment year 2012-13 (26Q-Q1), demanding an amount of ₹ 6,09,460/- on account of additional late payment interest against the processing of latest correction. Our Company has not submitted any correction statement in relation to the matter as there are no discrepancies in the records as original return has been submitted before due date. Thereafter, our Company has not received any further demand in relation to the same.
- (hh) The Sales Tax Officer has issued a notice dated January 9, 2013 under the provisions of the Maharashtra Value Added Tax Act, 2002 to our Company upon scrutiny of audit report filed by us for the financial year 2008-09 and vide the said notice, the sales tax officer has raised a VAT demand of ₹ 30,697 on account of purchases made by our Company of ₹ 7,44,464 alleging that the said purchases were not made by our Company and only false invoices were issued by the vendor. Our Company has replied to the said notice on January 23, 2013 requesting that our Company is assessed by the Deputy Commissioner of Sales Tax and hence the said case be transferred to the Deputy Commissioner of Sales Tax. Our Company has submitted that the discrepancies in the records were due to data entry errors, for which correction statements have already been filed. Subsequently, our Company has paid the aforesaid demand on November 26, 2013. No further communication has been received by our Company in this regard.
- (ii) The Sales Tax Officer has issued a notice dated April 17, 2012 under the provisions of the Maharashtra Value Added Tax Rules, 2005 for payment of tax due according to return filed by our Company for the period February 1, 2012 to February 29, 2012 raising a demand of ₹ 64,807 as central sales tax payable by our Company under the provisions of the Central Sales Tax Act, 1956. Our Company has submitted that the said amount was adjusted against the excess credit of Maharashtra Value Added Tax available during the month of February 2012 which was given effect vide revised return filed by our Company and the same was intimated to the Sales Tax Department vide our letter dated February 11, 2013. No further communication has been received by our Company in this regard.
- (jj) Sales tax officer has issued Form VI (E) notice under Rule 9A of the Central Sales Tax Rules, 1957 dated February 12, 2013 for claiming incorrect claims or deduction in the financial year 2008-2009, in response to which our Company has replied through letter dated February 20, 2013 stating that all the details including CST declaration forms pertaining to the above notice has been already submitted to Assistant Commissioner of Sales Tax (LTU – 6) and have requested to refer matter to Assistant Commissioner of Sales Tax (LTU-6). No further communication has been received by our Company in this regard.
- (kk) Sales tax officer has issued Form 302 notice, dated February 12, 2011, under sub-section (5) of section 23 of the Maharashtra Value Added Tax Act, 2002 for claiming incorrect deduction/claims amounting to ₹ 2,08,804 in the financial year 2008-2009, in response to which our Company, vide its letter dated February 20, 2013, informed the Sales tax officer that the requisite details pertaining to the above-mentioned notice have already been submitted to the Assistant Commissioner of Sales Tax (LTU-6) and have requested for the matter to be referred to the Assistant Commissioner of Sales Tax (LTU-6). No further communication has been received by our Company in this regard.

- (ll) The Assistant Commissioner of Sales Tax has issued show cause notice dated October 19, 2012 imposing penalty, under section 61(2) of the Maharashtra Value Added Tax Act, 2002 for non-filing of audit report in Form 704 for the financial year 2010-11 against VAT TIN number 27370346568V/C. In response to the same our Company submitted, vide letter dated November 27, 2012, that the VAT TIN number 27370346568V/C and CST has been cancelled by our Company with effect from July 2, 2008. No further communication has been received by our Company in this regard.
- (mm) The Assistant Commissioner of Sales Tax has issued show cause notice dated October 11, 2011 for imposing penalty under section 61(2) of the Maharashtra Value Added Tax Act, 2002 for non-filing of audit report in Form 704 for the financial year 2009-10 against VAT TIN number 27370346568V/C and notice under section 64 of the Maharashtra Value Added Tax Act, 2002 for default in submission of all books of accounts for the year 2009-10. In response to the same, our Company submitted vide letter dated October 24, 2011, that the VAT TIN number 27370346568V/C and CST number has been cancelled by our Company with effect from July 2, 2008. No further communication has been received by our Company in this regard.
- (nn) The Sales Tax Officer issued a demand notice dated December 18, 2012 under section 9(2) of Central Sales Tax Act, 1956 read with section 32 of the Maharashtra Value Added Tax Act, 2002 imposing tax and penalty of ₹ 3,32,822 for the year 2008-09 on account of non-receipt of sales tax declaration by our Company as mentioned in Annexure I/H of audit report filed by our Company in Form 704 pursuant, in response to which our Company, vide its letter dated January 22, 2013, informed the sales tax officer that our Company falls under the large taxpayer unit and hence the assessing officer designated to assess our Company for all sales tax issues is the Assistant Commissioner of Sales Tax (LTU-6). Our Company has requested that all the CST declarations are submitted with him so the matter should be transferred to Assistant Commissioner of Sales Tax (LTU-6) (LTU-6). No further communication has been received by our Company in this regard.
- (oo) The Sales Tax Officer (C-399) from return branch of Maharashtra Sales Tax Department issued show cause notice dated May 4, 2010 for imposing penalty under section 61(2) of the Maharashtra Value Added Tax Act, 2002 for non-filing of VAT returns under VAT TIN 27370346568V/C for the period from April 2008 to September 2008. In response to the same our Company intimated the Sales Tax Officer vide letter dated June 4, 2010 about cancellation of above old VAT TIN and CST number with effect from July 2, 2008 and our Company had already filed returns upto June 2008. No further communication has been received by our Company in this regard.
- (pp) The Superintendent of service tax, vide letter dated December 19, 2012, instituted an enquiry for non-payment of service tax for the period 2008-09 to 2011-12. In response to which our Company submitted necessary documents as required by the said letter. Thereafter no further notice or communication has been received by our Company in this regard.
- (qq) The Directorate General of Central Excise Intelligence, Zonal Unit, Mumbai, (“**DCGEI**”), has issued summons dated January 18, 2013 under the provisions of section 14 of the Central excise Act, 1944 to our Company in connection with an inquiry about alleged evasion of service tax in contravention of provisions of chapter V of the Finance Act, 1944 and rules made thereunder. Our Company responded to the above-mentioned summons vide its letter dated January 28, 2013 providing the requisite documents. Thereafter, the DCGEI has issued a show cause cum demand notice dated April 23, 2013 requiring our Company to show cause to the Commissioner of Service Tax, Mumbai – 1 for violation of, sections 73(1), 65(105)(zzzt), 75, 76, 68, and 77(2) of the Finance Act, 1994. Our Company vide its letter dated May 21, 2013 has replied to the said show cause cum demand notice. No further communication has been received by our Company in this regard.
- (rr) The Directorate General of Central Excise Intelligence, Zonal Unit, Mumbai, (“**DCGEI**”), has issued summons dated October 5, 2012 under the provisions of the Central excise Act, 1944 to our Company in connection with an inquiry about alleged evasion of service tax under ‘Broadcasting Services, Sale of Space and Time for Advertisement Services’ in contravention of provisions of chapter V of the Finance Act, 1944 and rules made thereunder. Our Company responded to the above-mentioned summons vide its letter dated October 10, 2012 requesting a 90 day extension for submission of the requisite documents. Thereafter, the DCGEI has issued a show cause cum demand notice dated April 23, 2013 requiring the Our Company to show cause to the Commissioner of Service Tax, Mumbai – 1 for violation of, sections 73(1), 65(105)(zzzt), 75, 76, 68, and 77(2) of the Finance Act, 1994. Our Company vide its letter dated May 21, 2013 has replied to the said show cause cum demand notice. Subsequently, our Company received a notice from the Assistant Commissioner, Division – III, Service Tax – I, Mumbai, in which our Company was requested to pay the remaining amount of service tax along with interest at the appropriate rate and penalty furnish copies of GAR-7 to his office for record. Our Company, with its reply dated

December 24, 2014, stated that the show cause notice depicts only a possible liability and that any actual payment can be directed only with an adjudication order. No further communication has been received by our Company in this regard.

**(iii) CIVIL PROCEEDINGS**

- (a) M/s Raj Enterprises, (“**Plaintiff**”) has filed the present suit (Suit No. 272 of 2007) against our Company amongst other parties before the High Court of Bombay claiming the right, title and interest over the film titled “Hum Hain Rahin Pyaar Ke”. The plaintiff has prayed that (i) a permanent order and injunction be passed restraining our Company from assigning or transferring satellite rights of the said film (ii) Prints, digi beta or betacam or copies or any other material of the said film in any format be impounded, seized and delivered up and destroyed by and under the orders and directions of the Court (iii) the consideration received by our company for the assignment of the said film or any rights including satellite rights thereof and all recoveries, income and realisations out of telecast, exhibition, distribution and exploitation of the said film by any means be paid to the plaintiff and (iv) that the amounts realised and recovered as per the accounts in respect of telecast, exhibition, distribution and exploitation with interest at the rate of 18% p.a. till payment and realisation. A notice of motion was taken out and subsequently disposed of on December 14, 2011 whereby our Company has been restrained from entering into further agreements and directing our Company to disclose contracts entered into by it after 1996 and render accounts in respect of revenues earned by our Company pursuant to disposal of the rights by our Company to Multi Screen Media Private Limited, (“**MSMPL**”). Our Assignor Mr Ashwin Savani then filed an appeal no. 206 of 2012 challenging the order passed in the notice of motion. The said appeal was disposed of vide an order of the High Court of Bombay dated June 12, 2013, confirming the directions issued vide the aforesaid order dated December 14, 2011. Our Company has complied with the aforesaid order by disclosing details of the commercial dealings effected by us in relation to the suit film vide affidavits filed before the said High Court. The Plaintiff has meanwhile impleaded MSM Satellite (Singapore) Pte. Ltd which acquired rights to the suit film from MSMPL and Viacom 18 Media Private Limited to whom our Company had assigned telecast rights. The matter is currently pending hearing and final disposal.
- (b) Navchitra Distributors Private Limited (“**NDPL**”) filed a suit for declaration (Suit No.1857 of 2008) before the High Court of Bombay against our Company among other parties in connection with the rights of telecasting the suit films viz. Girafar, Ganga Jamuna Saraswati, Brahma and Prateeksha. Zee Entertainment Enterprises Limited claims rights contrary to that of the Plaintiff. There are no claims for monetary or other relief claimed against our Company which has been impleaded as a formal party. The suit is pending hearing and final disposal. The notice of motion in the above suit seeking injunction against was heard and dismissed on April 18, 2012. Aggrieved by the said order, the Plaintiff has filed an appeal before the Division Bench at the High Court of Bombay. Vide an Order dated March 18, 2013 the Division Bench has set aside the Order dated April 18, 2012 and directed that the Single Judge should hear the motion again. The motion was thereafter heard and argued and is pending final disposal.
- (c) Hemjit Maloo, proprietor of M/s. Oriental Audio Visual Electronics, Jaipur, has served a notice upon our Company, Mr. Raman Maroo, Mr. Atul Maru and Mr. Hiren Gada under section 138 of the Negotiable Instruments Act, 1881, vide a letter dated October 3, 2011, alleging that a cheque issued by our Company, pursuant to an agreement between our Company and M/s. Oriental Audio Visual Electronics, was dishonoured and demanding payment for the amount of the returned cheque. Our Company responded to the said notice vide its letter dated October 24, 2011, denying the allegations and stating that an amount of ₹ 33,00,000 is due to the Company from M/s. Oriental Audio Visual Electronics. Subsequently, Hemjit Maloo served another notice upon our Company vide a letter dated November 26, 2011, further alleging that two cheques issued by our Company were dishonoured and seeking payment for the amount of the returned cheques. Our Company responded to the said notice vide its letter December 7, 2011, denying the allegations and reiterating that an amount of ₹ 33,00,000 is due to the Company from M/s. Oriental Audio Visual Electronics. Further, we understand that Hemjit Maloo has filed a complaint (No. 740344/2012) on January 9, 2012 before the Court of the Additional Civil Judge (Junior Division), Metropolitan Magistrate - 6, against our Company. As on date of this Prospectus, we have neither been served nor have received any communication in connection with the aforementioned complaint.

**(iv) CUSTOMS PROCEEDINGS**

1. The Commissioner of Customs (Import) has passed an order dated August 26, 2009 confirming payment of (i) ₹ 39,97,896 as differential customs duty, ₹ 39,97,896 as penalty under section 114A, ₹ 4,00,000 as redemption fine, and ₹ 2,00,000 as penalty, each, on Mr. Atul Maru and Mr. Dinesh Shah, in connection with import of software; and (ii) ₹ 30,61,885 as differential duty, ₹ 30,61,885 as penalty under section 114A, ₹ 1,00,000 penalty under section 112, each, on Mr. Atul Maru and Mr. Dinesh Shah in connection with import of betacam tapes, under the Customs Act, 1962. The total demand along with interest payable amounts to



₹ 160.64 lakhs. Appeals bearing nos. C/1128/09-MUM, No. C/1127/09 and No. C/1126 / 09-MUM have been filed by our Company, Mr. Atul Maru and Mr. Dinesh Shah, respectively, before the Customs Excise and Service Tax Appellate Tribunal against the aforementioned order and praying, *inter alia*, that (i) the aforementioned order be set aside the appeals be allowed in full. The Customs, Excise and Service Tax Appellate Tribunal, vide its order dated February 25, 2011, waived the pre-deposit and granted a stay on the recovery of the balance amount of penalty imposed. Our Company, Mr. Atul Maru and Mr. Dinesh Shah filed fresh stay extension applications for continuation of the aforementioned stay order, on January 17, 2014. The matter is pending further hearing and final disposal.

## 2. Legal proceedings initiated by our Company:

### (i) TAXATION PROCEEDINGS

There are no pending taxation proceedings initiated by our Company.

### (ii) CIVIL PROCEEDINGS:

- (a) Our Company has initiated a summary suit (No. 3071 of 2008) before the High Court of Bombay against Baweja Movies Private Limited and Harry Baweja, (collectively, the “Defendants”) for recovery of amount payable in connection with the assignment of certain rights for a Hindi feature film. Our Company has prayed that the Defendant be ordered and decreed to pay to our Company a sum of ₹ 15.4 lakhs along with an interest at the rate of 18% per annum from the date of filing the suit till the date of actual payment. The suit has been transferred to the City Civil Court (No. 104808 of 2008) and is pending hearing and final disposal.
- (b) Shemaroo Video Private Limited and Mukta Arts, have initiated proceedings, (Suit No. 1902 of 2005) before the High Court of Bombay against Movie Tee Vee Enterprises and others, (collectively, the “Defendants”) with respect to the right, title or interest in the copyright including the copyright of the negatives with respect to the suit films namely Karz, and Hero. Our Company has prayed, *inter alia*, for the following reliefs: (i) that the Defendants be restrained by an order and permanent injunction from in any manner infringing the copy right in the suit films, (ii) that the Defendants be restrained by an order and temporary injunction from in any manner infringing copy right and or from exploiting the suit films whether by sale, offer for sale, distribution or exhibition; and (iii) that a court receiver be appointed interim receiver of all infringing copies and other materials in respect of the suit films. Chamber Summons allowed plaintiff to correct their name from Shemaroo Video Limited to Shemaroo Entertainment Limited and also to incorporate reference to subsequent agreement of 2007 entered into between our Company and Mukta Arts. On February 13, 2012. The amendment was carried out and the amended plaint was served upon the Defendants. Our Company has since received and additional written statement and counter claim filed by the Movie Tee Vee Enterprises seeking a declaration that Movie Tee Vee Enterprises alone is entitled to exploit video rights and has claimed damages of ₹ 48,30,000/- and from our Company and Mukta Arts. The Defendant is also claiming amounts due and payable of ₹ 66,50,000/- from our Company and Mukta Arts. Our Company has filed a subsequent written statement to the counter claim dated May 8, 2012. The matter is pending hearing and final disposal.
- (c) Our Company has initiated proceedings (Suit No. 2712 of 2008) against Mr. Afzal Khan , sole proprietor of Shabbho Arts, (collectively, the “Defendants”), for, *inter alia*, making sale of intellectual property rights of the suit films, namely, (i) Mahanta, (ii) Hum Kisise Kum Nahi, (iii) Mehbooba and (iv) God Tussi Great Ho , which are produced and owned by Mr. Afzal Khan. The Court passed a money *decree dated* April 16, 2009 for a sum of ₹ 265.33 lakhs in favour of our Company in respect of which the Defendants failed to make payment within the stipulated time. Our Company has filed an execution application bearing no. 865/2011 for the execution of the decree. A chamber summons bearing no. 1331/2011 has been issued, *inter alia*, for the appointment of a court receiver and served on the Defendant. The suit is pending hearing and final disposal.
- (d) Our Company has initiated proceedings against Amit Sharma, Siddhanth Uberoi, Viacom 18 Media Private Limited, Ram Gopal Verma, Satyandra Pal and Saregama India Limited Seeking, *inter alia*, i) decree of permanent injunction restraining Defendants 1 to 4 and 7 from using parts of the song “Thodi Si Jo Pee Li Hai” from cinematograph film “Namak Halal” in which Shemaroo had acquired right, title and interest ii) restraining release of the feature film “Department” without deletion of the infringing parts of the song iii) injunction restraining the Defendants from exploiting audio rights, DVD rights, ring tones etc. without deletion of the lyrics of the original song “Thodi si jo pee li hai” and iv) permanent injunction restraining the Defendants posting the suit song on the internet and other reliefs. An interim application was moved for ad interim injunction which was rejected by the Delhi High Court. Appeal against the same subsequently rejected. Viacom 18 Media Private Limited, has been deleted from the array of parties



vide order dated February 19, 2013. Subsequently, Amit Sharma filed an application before the Delhi High Court praying that his name should be deleted from the array of parties in the said case. Thereafter, our Company in reply to the aforementioned application prayed that Amit Sharma should not be deleted from the array of parties on the grounds that *inter alia* the said deletion would prejudice our Company's cause of action in the said case and the deletion of Viacom 18 Media Private Limited from the array of parties does not vest a legal right in Amit Sharma to seek his deletion from the array of parties. The suit is pending hearing and final disposal.

- (e) Our Company, through its authorized signatory Sri Kalpesh Mansukhbhai Patel, has initiated proceedings against Shri Kashi Viswanath Mandir Nyas, Varanasi, UP, its CEO, and its Board of Trustees, for the cancellation of its formerly accepted technical bid and financial bid, in the tender invited by the respondents for transmission of Live Darshan on mobile phone of daily *arti* and rituals performed at Kashi Vishwanath Temple at Varanasi, vide writ petition dated September 10, 2012. The cancellation of the first tender was based on objections filed by Tata Communications Limited. The respondents instead of proceeding with the tender process, re-invited the tender vide notice dated August 29, 2012, thereby cancelling the earlier declaration of the petitioner being the highest bidder. The Company has prayed that the committee should not be allowed to further execute any such tender processes during the pendency of the present writ petition and has also filed an impleadment application dated January 22, 2013 requesting Tata Communications Limited to be joined as a respondent in the present writ petition. The suit is pending hearing and final disposal.

### (iii) CRIMINAL PROCEEDINGS:

- (a) Our Company through Mr. Hemant Karani has filed a complaint (C.C.No.1881/SS/2007) before the 44<sup>th</sup> Metropolitan Magistrate Court against Avinash Juman, proprietor of Weg India, Andheri. The complaint has been filed on May 17, 2007 under Section 138 of the Negotiable Instruments Act, 1881, towards dishonouring of 10 cheques of ₹ 1,00,000 each and one cheque of ₹ 46,428. The matter is pending hearing and final disposal.

## 3. Notices from Statutory Authorities

### (i) Environmental Notices

- (a) The Maharashtra Pollution Control Board, "MPCB" has issued show cause notice no. MPC/PSO/Mithi/B-89 (278) dated March 16, 2006 to our Company under section 25/26 of the Water (Prevention and Control of Pollution) Act, 1974, ("Water Act") and section 21 of the Air (Prevention and Control of Pollution), Act, 1981, ("Air Act") alleging that our Company has not obtained the consent of the MPCB as required under the Water Act, Air Act and the Hazardous Waste (Management and Handling) Rules, 1981, respectively. Our Company has filed application number SEL/MPCB/Sept-11/001 dated September 19, 2011 to obtain the said consent, in response to which, the MCPB, vide its letter dated December 19, 2011 informed our Company that the above-mentioned application for consent is treated as incomplete and has requested for resubmission of the same. Our Company vide its letter dated March 10, 2013 resubmitted the duly completed application for consent.

### (ii) Proceedings initiated against our Company for economic offences

- (a) Mr. Prem Prakash Mahajan "Complainant", proprietor of M/s. Mahajan Video, has filed a First Information Report (FIR No. 180) "FIR", dated September 1, 2009, before the Office of the Assistant Commissioner of Police, IPR Section, Economic Offences Wing, Crime Branch, New Delhi, ("ACP, Economic Offences Wing") against our Company and certain other parties, ("Defendants") for alleged violation of sections 64/63 of the Copyright Act, 1957 and sections 420, 468 and 471 of Indian Penal Code, 1860. The Complainant has alleged that the Complainant was threatened by the Defendants for distributing certain films without obtaining a license to distribute such films. Our Company received notices dated February 22, 2010 and April 29, 2011 from the ACP, Economic Offences Wing in connection with the above. In reply to such notices, our Company has vide letters dated March 11, 2010 and May 25, 2011 clarified that our Company holds exclusive and perpetual rights over the two films specified therein. The complaint is pending hearing and final disposal.

### (iii) Past penalties imposed on our Company

Sr. No.	Period of assessment	Type of Penalty	Amount (in ₹)
1.	2008-2009	Penalty under section 272 (a)(2)(c) of the Income Tax Act, 1961 in respect of late filing of TDS return.	2,900

Sr. No.	Period of assessment	Type of Penalty	Amount (in ₹)
2.	2008-2009	Penalty for non –filling of return for Oct 08 to Mar 09	5,000
3.	2008-2009	Penalty for late payment of Central Sales Tax	3,582
4.	2009-2010	Penalty under section 272 (a)(2)(c) of the Income Tax Act, 1961 in respect of late filing of TDS return.	24,000
5.	2009-2010	Penalty for non filling of return for July 09 to Sept 09	5,000
6.	2009-2010	Penalty under sec.29(8) imposed while conducting business audit	4,000
7.	2009-2010	Penalty for late payment of MVAT for January 2010	11
8.	2008-2009	Penalty under rule 7 of the Service Tax Rules, 1994 in respect of late filing of service tax return	2,000
9.	2008-2009	Penalty under rule 7 of the Service Tax Rules, 1994 in respect of late filing of service tax return	2,000
10.	2000-2010	Penalty under rule 7 of the Service Tax Rules, 1994 in respect of late filing of service tax return	12,000
11.	2010-2011	Penalty under rule 7 of the Service Tax Rules, 1994 in respect of late filing of service tax return	2,000
12.	2014-2015	Penalty for late filling of Form No.52A	27,200

**(iv) Potential legal proceedings against our Company:**

There are no potential legal proceedings against our Company that we are currently aware of or in connection with which, we have received notice, except as provided below:

- (a) Mr. Chandru T. Sadarangani, “**Complainant**”, proprietor of M/s Tarun Films International, addressed a letter dated March 14, 2011 to our Company and marked a copy to the MIDC Police Department, Andheri East, raising objection and claiming film rights over the following films namely, (i) Dharam Veer, (ii) Grahasthi, (iii) Harjaee, (iv) Hatyara, (v) Kanhaiyaa, (vi) Shaayad, and (vii) Pyar Diwana for which our Company has issued public notices. Our Company has received letters from the MIDC Police Department, Mumbai directing our Company to present themselves before the police station. Our Company has replied vide letters dated March 28, 2011 and August 4, 2011 to the Complainant and the MIDC Police Department respectively, denying the claims of the Complainant.
- (b) Mr. Devia Melwani, (“**Proposed Plaintiff**”), has filed Caveat No. 620 of 2011 before the High Court of Bombay against our Company, proposing to file a suit against our Company either alone or with another or others claiming damages for infringement of copyright. The caveat is pending hearing and final disposal. Our Company has received communications from One-Red LLC vide its India subsidiary, One-Red India Licensing Private Limited in relation to the purchase of unlicensed blue-ray discs and is the patent holder for several of the blue-ray discs purchased by our Company from suppliers/manufacturers. The said communications state that our Company is in violation of Section 48 of the Patents Act, 1970 whereby One-Red LLC has exclusive rights to prevent those who do not have the required consent, for the act of making, using, offering for sale, selling or importing for those purposes, their products in India. In this regard, patent infringement litigations have already been instituted by One-red LLC against companies like Siddharth Optical Disc Private Limited and Pearl Engineering Company. Our Company has requested One-Red LLC to provide us with copies of the afore-mentioned litigations instituted in order to understand the extent and implications of the matter, however, the same has not been provided.
- (c) Mr. Mohammad Amir Mohammad Khan has served a notice upon Mr. Abhishek Chaubey, our Company and others, dated January 13, 2014 and January 15, 2014 respectively, objecting to the use of the title of ‘Begum of Mehmudabad’ in the movie ‘Dedh Ishqiya’, produced by our Company. Correspondence has been exchanged and meetings have been held between our Company and Mr. Khan, pursuant to obtaining an amicable resolution to the matter.

**(v) Material developments since the last balance sheet date**

Except as disclosed in the Section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 254 of this Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or its ability to pay its material liabilities within the next 12 months.

**(vi) Outstanding dues to small scale undertaking(s) or any other creditors**

There are no outstanding dues above ₹ 1,00,000 to small scale undertaking(s) by our Company, for more than 30 days.

**(vii) Pending proceedings initiated against other companies whose outcome could have an adverse effect on our Company**

There are no pending proceedings, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

**(viii) Adverse findings in the past against any persons/entities connected with our Company as regards non compliance with securities laws**

- (a) Mr. Gnanesh Gala, an Independent Director of our Company is the managing director of Navneet Education Limited. SEBI has in the past initiated investigation proceedings against Navneet Education Limited, in connection with the scrip of the said company in the case of buying, selling or dealing in the shares of the company, and has in the past, from time to time issued summons to the aforesaid company and Shri. Gnanesh Gala in his capacity as a key managerial personnel under applicable provisions of the Securities and Exchange Board of India Act, 1992 to furnish various documents and information in connection with such investigations, which has been duly addressed to by Navneet Education Limited and/or Shri. Gnanesh Gala, as appropriate, from time to time. SEBI had passed a consent order dated February 3, 2010 in connection with non-disclosure under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended, for the year 1997 and under Regulation 8(3) for the years 1998 to 2001, relating to disclosures to be made to the stock exchanges on the shareholding pattern by Navneet Education Limited. Navneet Education Limited suo motu had proposed settlement of the alleged violations. The High Powered Advisory Committee, constituted by SEBI, considered the consent terms proposed by Navneet Education Limited and recommended the case for settlement. SEBI accepted the said recommendations and communicated the same to Navneet Education Limited vide letter dated January 15, 2010 and the consent order was passed in March 3, 2010. Accordingly, Navneet Education Limited paid an amount of ₹ 2,00,000 (Rupees Two lakhs only) towards settlement charges. Currently there are no pending investigations against the said company.
- (b) Mr. Gnanesh Gala, an Independent Director of our Company is the managing director of Navneet Education Limited. SEBI has in the past initiated investigation proceedings against Mr. Gnanesh Gala in relation to his and/or his immediate relatives, namely, Ms. Priti Gala, Ms. Kasturben Gala, Mr. Devish Gala and Mr. Dungarshibhai Gala (the “**Relatives**”), alleged connection or association with Mr. Nimish R.Shah and the trading carried out in the script of Navneet Publications (India) Limited through the trading account opened with VFC Securities Private Limited, prior to the public announcement on July 16, 2009, of the proposed bonus issue of equity shares by Navneet Publications (India) Limited, and has in the past, issued summons to Mr. Gnanesh Gala to furnish various documents and information in connection with the aforementioned, which has been duly addressed to by Mr. Gnanesh Gala, as appropriate. Mr. Gnanesh Gala vide his letter dated June 22, 2011 has denied any connection or association with Mr. Nimish R Shah, directly or indirectly neither through himself nor his Relatives. Mr. Gnanesh Gala vide the said letter also confirmed that neither of his Relatives have any direct or indirect association or connection with VFC Securities Private Limited, save and except for the trading account opened with VFC Securities Private Limited during 1998 and 2001, which had been non-operational since last several years since the date of the said letter. The investigation department of the SEBI vide its letter dated April 16, 2012, (the “**Letter**”), stated that the investigation revealed that Mr. Gnanesh Gala discussed price sensitive information (in connection with a proposed bonus issue by Navneet (Publications) India Limited) with certain family members which do not fall within the category of key personnel or directors of a company, as a result of which, the trading pattern of some of the related/associated/connected entities indicated that they had entered into purchase transactions prior to the said public announcement for the proposed bonus issue by Navneet Publications (India) Limited and had sold certain equity shares subsequent to the aforesaid announcement. Accordingly, the investigation department of the SEBI vide the Letter, stating that this matter has been viewed seriously, cautioned Mr. Gnanesh Gala to be careful in the future and avoid recurrence of any such instance, failing which action may be initiated in accordance with the provisions of the SEBI Act and rules and regulations, framed thereunder.

**(ix) Disciplinary action taken by SEBI or stock exchanges against our Company**

There is no disciplinary action taken by SEBI or stock exchanges against our Company.

**(x) First Information Reports filed by our Company**

Our Company has filed over 135 first information reports, (“FIR’s”) with the concerned police departments against various individuals/corporate entities in connection with the business of our Company and the piracy of content over which our Company has legal rights for an amount aggregating to ₹ 870.93 lakhs.

**(xi) Inquiries, inspections or investigations under Companies Act**

There have been no inquiries, inspections and investigations initiated or conducted under the Companies Act or any previous companies law in the last five years in the case of our Company. There have been no prosecutions filed (whether pending or not), fines imposed or compounding of any offence done in the last five years for our Company.

**(xii) Material Frauds**

There are no material frauds committed against our Company in the last five years.

**III. Pending Proceedings involving the Directors of our Company:**

Except as described below, there are no pending proceedings including criminal prosecutions or civil proceedings involving our Directors, no material defaults, violation of statutory regulations or non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Directors (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013).

**1. Pending proceedings initiated against our Directors:**

There are no pending proceedings initiated against our Directors, except as provided herein below:

**(i) Mr. Atul Maru**

**Taxation proceedings:**

- (a) The Commissioner of Customs (Import) has passed an order dated August 26, 2009 confirming payment of (i) ₹ 39,97,896 as differential customs duty, ₹ 39,97,896 as penalty under section 114A, ₹ 4,00,000 as redemption fine, and ₹ 2,00,000 as penalty, each, on Mr. Atul Maru and Mr. Dinesh Shah, in connection with import of software; and (ii) ₹ 61,885 as differential duty, ₹ 30,61,885 as penalty under section 114A, ₹ 1,00,000 penalty under section 112, each, on Mr. Atul Maru and Mr. Dinesh Shah in connection with import of betacam tapes, under the Customs Act, 1962. The total demand along with interest payable amounts to ₹1,60,64,368. Appeals bearing No. C/1128/09-MUM, No. C/1127/09 and No. C/1126 / 09-MUM have been filed by our Company, Mr. Atul Maru and Mr. Dinesh Shah, respectively before the Customs Excise and Service Tax Appellate Tribunal against the aforementioned order and praying, *inter alia*, that (i) the aforementioned order be set aside the appeals be allowed in full. The Customs, Excise and Service Tax Appellate Tribunal, vide its order dated February 25, 2011, waived the pre-deposit and granted a stay on the recovery of the balance amount of penalty imposed. Our Company, Mr. Atul Maru and Mr. Dinesh Shah filed fresh stay extension applications for continuation of the aforementioned stay order, on January 17, 2014. The matter is pending further hearing and final disposal.

**(ii) Mr. Buddhichand H. Maroo**

- a) The Income Tax Officer issued notice dated February 25, 2013, for outstanding arrears of demand for the Assessment Year 2011-12 for sum of ₹ 2.70 lakhs which is due to lower appear of tax credit deducted by our Company in 26AS of director. In response to aforementioned noticed, Mr. Buddhichand H. Maroo sent a letter dated March 11, 2013, intimating the said officer that the deductor company would file a rectification statement for the mismatch, which would enable him to claim the correct tax credit. Further, Mr. Buddhichand H. Maroo requested that the officer keep the recovery proceeding in abeyance on account of the same. Our Company has filled correction statement for rectifying the mismatch of tax credit in 26AS.

(iii) **Raman H. Maroo**

- (a) The Income Tax Officer issued intimation dated October 23, 2012 under section 143 (1) of the Income Tax Act, 1961, for assessment year 2011-12, demanding sum of ₹1,29,660. In response to which Mr Maroo has filed rectification petition dated March 20, 2013, u/s 154 of the Income Tax Act, 1961.

**Criminal proceedings:**

Ms. Ameesha Mukherjee (the “Complainant”) has filed a complaint (no. 285/SW/2011) against Mr. Raman Maroo and Mr. Vishal Bhardwaj before the Court of the Additional Chief Metropolitan Magistrate, Borivali, Mumbai, in relation to the use of her photograph in the movie ‘Ishqiya’. Mr. Raman Maroo and Mr. Vishal Bhardwaj have filed a criminal revision application (no. 7 of 2014) before the Sessions Court, Dindoshi, Mumbai, for the dismissal of said complaint and seeking an interim stay of proceedings before the said Court of the Additional Chief Metropolitan Magistrate, Borivali, Mumbai. The matter is pending hearing and final disposal.

**Civil proceedings:**

Jackie Kakubhai Shroff (the “**Petitioner**”) has filed a company petition in July 2014 against Mr. Raman Hirjee Maroo, Mr. Jayesh Parekh, Shemaroo Holdings Private Limited, Atlas Equifin Private Limited (“**Atlas**”) and five others (collectively, the “**Respondents**”) before the Company Law Board, Mumbai, under Sections 397, 398, 399, 402 and 403 of the Companies Act, 1956. The Petitioner has alleged, inter alia, that he is a minority shareholder of Atlas, that the Respondents are taking undue advantage of their position as majority shareholders of Atlas. The Petitioner has further alleged that certain fraudulent acts which include, *inter alia*, mismanagement, not declaring dividend, not giving inspection of records, non-refund of share application moneys, wasteful investments, under selling shareholding of Atlas, have been perpetrated against him by the Respondents. The Petitioner has sought, *inter alia*, that the Respondents be restrained from altering the capital structure of Atlas; dealing with the property, assets or monies of Atlas; interfering with the ownership of the Petitioner in Atlas; creating any liabilities or giving any loans through Atlas in any manner without the consent of the Petitioner and the return of an alleged sum of ₹ 10 lakhs paid by the Petitioner as share application money with interest from February 2011. The Petitioner has prayed for relief under Sections 397, 398, 402 and 403 of the Companies Act, 1956 and has, *inter alia*, sought the appointment of an administrator to carry on the business and manage the affairs of Atlas, the appointment of special auditors to inspect Atlas’ books of accounts and the production of certain documents in relation to the matter. The Respondents are in the process of responding to the present company petition.

(iv) **Jayesh Parekh**

**Civil proceedings:**

Jackie Kakubhai Shroff (the “**Petitioner**”) has filed a company petition in July 2014 against Mr. Raman Hirjee Maroo, Mr. Jayesh Parekh, Shemaroo Holdings Private Limited, Atlas Equifin Private Limited (“**Atlas**”) and five others (collectively, the “**Respondents**”) before the Company Law Board, Mumbai, under Sections 397, 398, 399, 402 and 403 of the Companies Act, 1956. The Petitioner has alleged, inter alia, that he is a minority shareholder of Atlas, that the Respondents are taking undue advantage of their position as majority shareholders of Atlas. The Petitioner has further alleged that certain fraudulent acts which include, *inter alia*, mismanagement, not declaring dividend, not giving inspection of records, non-refund of share application moneys, wasteful investments, under selling shareholding of Atlas, have been perpetrated against him by the Respondents. The Petitioner has sought, *inter alia*, that the Respondents be restrained from altering the capital structure of Atlas; dealing with the property, assets or monies of Atlas; interfering with the ownership of the Petitioner in Atlas; creating any liabilities or giving any loans through Atlas in any manner without the consent of the Petitioner and the return of an alleged sum of ₹ 10 lakhs paid by the Petitioner as share application money with interest from February 2011. The Petitioner has prayed for relief under Sections 397, 398, 402 and 403 of the Companies Act, 1956 and has, *inter alia*, sought the appointment of an administrator to carry on the business and manage the affairs of Atlas, the appointment of special auditors to inspect Atlas’ books of accounts and the production of certain documents in relation to the matter. The Respondents are in the process of responding to the present company petition.

**2. Pending proceedings initiated by our Directors**

There are no pending proceedings initiated by any of our Directors, except as provided herein below:

(i) **Mr. Vasanji Mamania**

**Civil Proceedings:**

Mr. Vasanji Mamania, (“**Plaintiff**”) has filed a suit (No. 1255 of 2007) before the Arbitral Tribunal of Justice V.G. Palshikar, (Retd. Judge of High Court of Bombay) against Mr. Yudunarain Mulky Shetty, (“**Defendant**”) claiming specific performance of the agreement dated May 2, 2006 entered into between the Plaintiff and the Defendant in respect of the sale of land situated at Moti Baug, opp. R.K.Studios at Sion-Trombay Road, Chembur, Mumbai 400 071, (the “**Property**”), (the “**Agreement**”). Subsequently, Justice V.G. Palshikar, (Retd. Judge of High Court of Bombay) passed an award dated May 31, 2013 in favour of the Defendant, rejecting the claim for the specific performance of the Agreement, the alternate claim for damages of ₹ 875 lakhs, amongst others. Thereafter, the Plaintiff has filed an arbitration petition dated August 6, 2013, before the High Court of Bombay under Section 34 of the Arbitration & Conciliation Act, 1996, seeking the following reliefs: i) the said award be cancelled and set aside; and ii) the Defendant be restrained from disposing of, alienating, transferring or encumbering the Property and from entering into any agreement for sale or creating any rights, parting with possession, creating any tenancy, permitting any transfer or assignment of tenancy rights of the Property or any part thereof. The Plaintiff has valued his claim in the aforementioned arbitration petition at ₹ 1,639.73 lakhs. The matter is pending hearing and final disposal.

### 3. **Past penalties imposed on our Directors**

A penalty of ₹ 6,000 has been imposed against our Company and our Director Mr. Atul Maru by Mumbai Mahanagar Palika for non-compliance of Bombay Municipal Corporation norms with respect to pest control which was paid on January 9, 2010.

### 4. **Proceedings initiated against our Directors for economic offences**

There are no proceedings initiated against any of our Directors for any economic offences.

## IV. **Legal proceedings involving the Promoters of our Company**

There are no pending legal proceedings involving our Promoters, including criminal prosecutions or civil proceedings involving our Promoters, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Promoters (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013), except as stated below:

### 1. **Legal proceedings initiated against our Promoters**

The following legal proceedings have been initiated against our Promoters:

#### (i) **Mr. Atul Maru**

##### **Taxation proceedings:**

- (a) The Commissioner of Customs (Import) has passed an order dated August 26, 2009 confirming payment of (i) ₹ 39,97,896 as differential customs duty, ₹ 39,97,896 as penalty under section 114A, ₹ 4,00,000 as redemption fine, and ₹ 2,00,000 as penalty, each, on Mr. Atul Maru and Mr. Dinesh Shah, in connection with import of software; and (ii) ₹ 30,61,885 as differential duty, ₹ 30,61,885 as penalty under section 114A, ₹ 1,00,000 penalty under section 112, each, on Mr. Atul Maru and Mr. Dinesh Shah in connection with import of betacam tapes, under the Customs Act, 1962. The total demand along with interest payable amounts to ₹ 1,60,64,368. Appeals bearing No. C/1128/09-MUM, No. C/1127/09 and No. C/1126 / 09-MUM have been filed by our Company, Mr. Atul Maru and Mr. Dinesh Shah, respectively before the Customs Excise and Service Tax Appellate Tribunal against the aforementioned order and praying, inter alia, that (i) the aforementioned order be set aside the appeals be allowed in full. The Customs, Excise and Service Tax Appellate Tribunal, vide its order dated February 25, 2011, waived the pre-deposit and granted a stay on the recovery of the balance amount of penalty imposed. Our Company, Mr. Atul Maru and Mr. Dinesh Shah filed fresh stay extension applications for continuation of the aforementioned stay order, on January 17, 2014. The matter is pending further hearing and final disposal..

#### (ii) **Raman H. Maroo**

- (a) The Income Tax Officer issued intimation dated October 23, 2012 under section 143 (1) of the Income Tax Act, 1961, for assessment year 2011-12, demanding sum of ₹ 1,29,660. In response to which Mr Maroo has filled rectification petition dated March 20, 2013, u/s 154 of the Income Tax Act, 1961.

## **Criminal Proceedings:**

Ms. Ameesha Mukherjee (the “Complainant”) has filed a complaint (no. 285/SW/2011) against Mr. Raman Maroo and Mr. Vishal Bhardwaj before the Court of the Additional Chief Metropolitan Magistrate, Borivali, Mumbai, in relation to the use of her photograph in the movie ‘Ishqiya’. Mr. Raman Maroo and Mr. Vishal Bhardwaj have filed a criminal revision application (no. 7 of 2014) before the Sessions Court, Dindoshi, Mumbai, for the dismissal of said complaint and seeking an interim stay of proceedings before the said Court of the Additional Chief Metropolitan Magistrate, Borivali, Mumbai. The matter is pending hearing and final disposal.

## **Civil proceedings:**

Jackie Kakubhai Shroff (the “**Petitioner**”) has filed a company petition in July 2014 against Mr. Raman Hirjee Maroo, Mr. Jayesh Parekh, Shemaroo Holdings Private Limited, Atlas Equifin Private Limited (“**Atlas**”) and five others (collectively, the “**Respondents**”) before the Company Law Board, Mumbai, under Sections 397, 398, 399, 402 and 403 of the Companies Act, 1956. The Petitioner has alleged, *inter alia*, that he is a minority shareholder of Atlas, that the Respondents are taking undue advantage of their position as majority shareholders of Atlas. The Petitioner has further alleged that certain fraudulent acts which include, *inter alia*, mismanagement, not declaring dividend, not giving inspection of records, non-refund of share application moneys, wasteful investments, under selling shareholding of Atlas, have been perpetrated against him by the Respondents. The Petitioner has sought, *inter alia*, that the Respondents be restrained from altering the capital structure of Atlas; dealing with the property, assets or monies of Atlas; interfering with the ownership of the Petitioner in Atlas; creating any liabilities or giving any loans through Atlas in any manner without the consent of the Petitioner and the return of an alleged sum of ₹ 10 lakhs paid by the Petitioner as share application money with interest from February 2011. The Petitioner has prayed for relief under Sections 397, 398, 402 and 403 of the Companies Act, 1956 and has, *inter alia*, sought the appointment of an administrator to carry on the business and manage the affairs of Atlas, the appointment of special auditors to inspect Atlas’ books of accounts and the production of certain documents in relation to the matter. The Respondents are in the process of responding to the present company petition.

### **2. Legal proceedings initiated by our Promoters**

There are no pending legal proceedings, initiated by our Promoter.

### **3. Past penalties imposed on our Promoters**

A penalty of ₹ 6,000 has been imposed against our Company and our Director Mr. Atul Maru by Mumbai Mahanagar Palika for non-compliance of Bombay Municipal Corporation Norms with respect to pest control which was paid on January 9, 2010.

### **4. Legal proceedings initiated against our Promoters for economic offences**

There are no legal proceedings initiated against our Promoters, for any economic offences.

### **5. Criminal proceeding towards tax liabilities proceedings initiated against our Promoters**

There are no criminal proceedings initiated against our Promoters towards tax liabilities as on the date of filing this Prospectus.

### **6. Legal Proceedings/defaults in connection with companies/firms/ventures with which our Promoters were associated in the past**

#### **(i) Shemaroo Trading Corporation**

The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated November 2, 2011, under Section 200A of the Income Tax Act, 1961, along with a notice of demand dated March 21, 2011, to Shemaroo Trading Corporation, for the assessment year 2008-2009, under Section 156 of the Income Tax, 1961, demanding ₹ 1,300 on account of short payment and late payment interest under Section 200A of the Income Tax Act, 1961. The matter is pending.

### **7. Defaults involving our Promoters**

Mr. Raman Maroo, our Promoter, is an independent director on the board of Orbit Corporation Limited, a public limited company, (“**Orbit**”), since May 21, 2007. Orbit as well as Mr. Raman Maroo, in his capacity of an independent director of Orbit have been included in the list of wilful defaulters’ of the Reserve Bank of India for

the year ended March 31, 2012. Orbit is neither a Promoter nor part of the Promoter Group, Group Companies or Affiliates of our Company.

**8. Adverse findings against any persons/entities connected with our Promoters as regards non compliance with securities laws**

There are no adverse findings involving any persons/entities connected with our Promoters with regard to non compliance with securities law.

**9. Legal proceedings against our Promoters for violation of statutory regulations**

The Commissioner of Customs (Import) has passed an order dated August 26, 2009 confirming payment of (i) ₹ 39,97,896 as differential customs duty, ₹ 39,97,896 as penalty under section 114A, ₹ 4,00,000 as redemption fine, and ₹ 2,00,000 as penalty, each, on Mr. Atul Maru and Mr. Dinesh Shah, in connection with import of software; and (ii) ₹ 30,61,885 as differential duty, ₹ 30,61,885 as penalty under section 114A, ₹ 1,00,000 penalty under section 112, each, on Mr. Atul Maru and Mr. Dinesh Shah in connection with import of betacam tapes, under the Customs Act, 1962. The total demand along with interest payable amounts to ₹ 1,60,64,368. Appeals bearing No. C/1128/09-MUM, No. C/1127/09 and No. C/1126 / 09-MUM have been filed by our Company, Mr. Atul Maru and Mr. Dinesh Shah, respectively before the Customs Excise and Service Tax Appellate Tribunal against the aforementioned order and praying, inter alia, that (i) the aforementioned order be set aside the appeals be allowed in full. The Customs, Excise and Service Tax Appellate Tribunal, vide its order dated February 25, 2011, waived the pre-deposit and granted a stay on the recovery of the balance amount of penalty imposed. Our Company, Mr. Atul Maru and Mr. Dinesh Shah filed fresh stay extension applications for continuation of the aforementioned stay order, on January 17, 2014. The matter is pending further hearing and final disposal.

**10. Proceedings or legal action pending or taken by any ministry, department or statutory authority against our Promoters**

The Commissioner of Customs (Import) has passed an order dated August 26, 2009 confirming payment of (i) ₹ 39,97,896 as differential customs duty, ₹ 39,97,896 as penalty under section 114A, ₹ 4,00,000 as redemption fine, and ₹ 2,00,000 as penalty, each, on Mr. Atul Maru and Mr. Dinesh Shah, in connection with import of software; and (ii) ₹ 30,61,885 as differential duty, ₹ 30,61,885 as penalty under section 114A, ₹ 1,00,000 penalty under section 112, each, on Mr. Atul Maru and Mr. Dinesh Shah in connection with import of betacam tapes, under the Customs Act, 1962. The total demand along with interest payable amounts to ₹ 1,60,64,368. Appeals bearing No. C/1128/09-MUM, No. C/1127/09 and No. C/1126 / 09-MUM have been filed by our Company, Mr. Atul Maru and Mr. Dinesh Shah, respectively before the Customs Excise and Service Tax Appellate Tribunal against the aforementioned order and praying, inter alia, that (i) the aforementioned order be set aside the appeals be allowed in full. The Customs, Excise and Service Tax Appellate Tribunal, vide its order dated February 25, 2011, waived the pre-deposit and granted a stay on the recovery of the balance amount of penalty imposed. Our Company, Mr. Atul Maru and Mr. Dinesh Shah filed fresh stay extension applications for continuation of the aforementioned stay order, on January 17, 2014. The matter is pending further hearing and final disposal.

**V. Legal proceedings involving our Subsidiaries**

Except as provided below: i) there are no pending legal proceedings involving our Subsidiaries, including criminal prosecutions or civil proceedings; ii) there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Subsidiaries (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013); iii) there have been no inquiries, inspections and investigations initiated or conducted under the Companies Act or any previous companies law in the last five years in the case of our Subsidiaries; and iv) there have been no prosecutions filed (whether pending or not), fines imposed or compounding of any offence done in the last five years for our Subsidiaries:

**1. Pending legal proceedings against our Subsidiaries**

**(i) Shemaroo Films Private Limited**

**Taxation Proceedings**

- (a) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), issued an intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act"), dated September 4, 2013, to Shemaroo Films Private Limited, for the assessment year 2013-14, with a demand of ₹ 5,950 for the late filing fee under



Section 234E of the IT Act. Shemaroo Films Private Limited paid the amount demanded on January 23, 2014.

- (b) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), issued an intimation under Section 200A of the Income Tax Act, 1961 (the "IT Act"), dated July 18, 2014, to Shemaroo Films Private Limited, for the assessment year 2015-16, with a demand of ₹ 26,830/- for short deduction and interest on short deduction. Shemaroo Films Private Limited has not submitted any correction statement in relation to the matter.

## 2. Pending legal proceedings initiated by our Subsidiaries

There are no legal pending proceedings initiated by our Subsidiaries.

## 3. Notices involving our Subsidiaries

### (i) *Shemaroo Films Private Limited*

- (a) M/s. Mayor Fancy Dresses, ("MFD") has served a legal notice upon Shemaroo Films Private Limited on February 6, 2014, alleging that Shemaroo Films Private Limited has committed an offence under Section 138 of the Negotiable Instruments Act, (the "Notice"). MFD vide the Notice has stated that Shemaroo Films Private Limited has, with ulterior intentions issued a cheque of ₹ 84,375 and later dishonoured the cheque by stopping the payment. In reply to the Notice, Shemaroo Films Private Limited has vide its letter dated March 10, 2014 has stated that the costumes delivered by MFD were not as per the requirement and did not fit the description as laid down in the contract between them and as a result of which Shemaroo Films Private Limited had to suffer huge losses. Shemaroo Films Private Limited has demanded a sum of ₹ 4,00,000 as damages for the loss incurred as a result of the faulty costumes. Shemaroo Films Private Limited is yet to receive any reply from MFD in this regard.

## VI. Legal proceedings involving Group Companies and entities:

### 1. Pending legal proceedings against our Group Companies:

There no pending legal proceedings initiated against our Group Companies and entities, except as provided below:

#### (i) *Shemaroo Holdings Private Limited*

##### **Civil Proceedings**

- (a) Jackie Kakubhai Shroff (the "**Petitioner**") has filed a company petition in July 2014 against Mr. Raman Hirjee Maroo, Mr. Jayesh Parekh, Shemaroo Holdings Private Limited, Atlas Equifin Private Limited ("**Atlas**") and five others (collectively, the "**Respondents**") before the Company Law Board, Mumbai, under Sections 397, 398, 399, 402 and 403 of the Companies Act, 1956. The Petitioner has alleged, *inter alia*, that he is a minority shareholder of Atlas, that the Respondents are taking undue advantage of their position as majority shareholders of Atlas. The Petitioner has further alleged that certain fraudulent acts which include, *inter alia*, mismanagement, not declaring dividend, not giving inspection of records, non-refund of share application moneys, wasteful investments, under selling shareholding of Atlas, have been perpetrated against him by the Respondents. The Petitioner has sought, *inter alia*, that the Respondents be restrained from altering the capital structure of Atlas; dealing with the property, assets or monies of Atlas; interfering with the ownership of the Petitioner in Atlas; creating any liabilities or giving any loans through Atlas in any manner without the consent of the Petitioner and the return of an alleged sum of ₹ 10 lakhs paid by the Petitioner as share application money with interest from February 2011. The Petitioner has prayed for relief under Sections 397, 398, 402 and 403 of the Companies Act, 1956 and has, *inter alia*, sought the appointment of an administrator to carry on the business and manage the affairs of Atlas, the appointment of special auditors to inspect Atlas' books of accounts and the production of certain documents in relation to the matter. The Respondents are in the process of responding to the present company petition.

##### **Taxation Proceedings**

- (a) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 21, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 21, 2011, to SHPL, for the assessment year 2008-09, under Section 156 of the Income Tax, 1961, demanding ₹ 3,400 as tax deductible at source, payable by SHPL, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the

Income Tax Act, 1961. SHPL has replied the aforesaid notice vide a letter dated May 2, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there is an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. SHPL has not received any further communications from the Income Tax Office in this regard.

- (b) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 21, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 21, 2011, to SHPL, for the assessment year 2008-09, under Section 156 of the Income Tax, 1961, demanding ₹ 12,870 as tax deductible at source, payable by SHPL, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income tax Act, 1961. SHPL has replied the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there is an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. SHPL has not received any further communications from the Income Tax Office in this regard.
- (c) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 21, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 21, 2011, to SHPL, for the assessment year 2008-09, under Section 156 of the Income Tax, 1961, demanding ₹ 1,440 as tax deductible at source payable by SHPL, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. SHPL has replied the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there is an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. SHPL has not received any further communications from the Income Tax Office in this regard.
- (d) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 21, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 21, 2011, to SHPL, for the assessment year 2008-09, under Section 156 of the Income Tax, 1961, demanding ₹ 33.66 lakhs as tax deductible at source payable by SHPL, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. SHPL has replied the aforesaid notice vide a letter dated April 29, 2011, stating that (i) the discrepancies in the records are due to data entry errors for which correction statements have already been filed, and (ii) there is an error apparent on records and once the necessary effect is allowed, there would be no default and hence consequently no tax demand. SHPL has not received any further communications from the Income Tax Office in this regard.
- (e) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 21, 2011, under Section 210(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 21, 2011, to SHPL, for assessment year 2009-10, under Section 156 of the Income Tax, Act, 1961, demanding ₹ 17,920 as tax deductible at source payable by SHPL, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. SHPL has replied to the aforesaid notice vide a letter dated April 26, 2011, stating that (i) SHPL has already made the payment of ₹ 17440 when the original notice was received on 27<sup>th</sup> March, 2010 hence consequently no tax demand as ₹ 17920 includes the original amount of demand ₹ 17440 plus differential interest for the period from March 27, 2010 till the date of issuance of notice for which SHPL has no liability. SHPL has thereafter not received any further communication from the Income Tax Office in this regard. SHPL has made an application for stay of demand of ₹ 17,920 vide letter dated May 2, 2011.
- (f) Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 10, 2012, under Section 201(1)/201 (1A) of the Income Tax Act, 1961, along with a notice of demand dated March 10, 2012, to SHPL, for assessment year 2007-08, under Section 156 of the Income Tax, Act, 1961, demanding ₹ 12,470 as tax deductible at source payable by SHPL, on account of short deduction/collection, amount deducted and not paid and applicable interest under Section 210(1A) of the Income Tax Act, 1961. SHPL had filled correction statement to rectify the mistake. SHPL has thereafter not received any further communication from the Income Tax Office in this regard.

(ii) ***M/s Shemaroo Corporation:***

**Civil Proceedings:**

- (a) Mr. Trikamdas Jethbbhai Khatau, Mr. Hansraj Jethabhai Khatau, Mr. Ranjit Ramdas Khatau, Mr. Kishore Krishnakumar Khatau, Mr. Yogesh Krishnakumar Khatau and Mr. Dharamshi Jethabhai Khatau, have initiated, (collectively, the “**Plaintiffs**”) have initiated this suit No. 627/1422 of 1992 against Mr Habib Jumabhai Takki, Mr. Parvez Habib Takki, Mr. Abid Habib Takki, (“**Defendants**”) who are tenants of the plaintiffs at the suit property known as Khatau Mansion. The Plaintiffs have alleged that the Defendants have committed “acts of waste” of the Plaintiff’s property within the meaning of section 108(o) of the Transfer of Property Act, 1882 by carrying out permanent structural additions and alterations without the Plaintiffs’ permission. M/s Shemaroo Corporation has been impleaded on the alleged grounds that M/s Shemaroo Corporation is in illegal use, occupation and possession of the suit premises. The plaintiff has prayed that (i) the Defendants and M/s Shemaroo Corporation be ordered and decreed to hand over quiet, vacant and peaceful possession of the suit premises and (ii) the costs of the suit be provided for. There is no monetary claim against M/s Shemaroo Corporation. The suit is pending hearing and final disposal.

### **Taxation Proceedings**

- (a) Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 22, 2012, under Section 201(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 22, 2012, to Shemaroo Corporation, for assessment year 2008-09, under Section 156 of the Income Tax, Act, 1961, demanding ₹ 520 as tax deductible at source payable by Shemaroo Corporation, on amount deducted and not paid and applicable interest under the provisions of the Income Tax Act, 1961.
- (b) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an intimation and notice dated February 4, 2012, under Section 200A of the Income Tax Act, 1961, to Shemaroo Corporation, for the assessment year 2011-2012, under Section 156 of the Income Tax, 1961, demanding ₹ 61,710 on account of short deducted and not paid and applicable interest under Section 200A of the Income Tax Act, 1961. Shemaroo Corporation has not received any further communications from the Income Tax Office in this regard.
- (c) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated November 2, 2011, under Section 200A of the Income Tax Act, 1961, to Shemaroo Corporation for the assessment year 2008-2009, under Section 156 of the Income Tax, 1961, demanding ₹ 170 as late payment interest and not paid under Section 200A of the Income Tax Act, 1961. Shemaroo Corporation has not received any further communications from the Income Tax Office in this regard.
- (d) The Assessing Officer of the Employees Provident Fund Office (EPFO), Mumbai, issued an assessment order dated December 20, 2007, to Shemaroo (Petit Hall) for the period March 2006 – September 2007 stating (i) default in contribution to the Employees' Deposit Linked Insurance, (“**EDLI**”) and EDLI Administration charges and (ii) Shemaroo (Petit Hall) has not accounted for the leave encashment granted to certain employees while making the PF contribution for the above mentioned period and has called for the payment of ₹ 16,237 being the differential amount. However, Shemaroo (Petit Hall), vide its application dated September 26, 2006, had applied for an exemption from the EDLI under section 17(2)(A) of the Employee’s Provident Fund & Miscellaneous Provisions Act in lieu of the adoption of the Group Insurance Scheme of the Life Insurance Company of India by Shemaroo (Petit Hall). The matter is pending hearing on May 13, 2013.
- (e) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation under Section 200A of the Income Tax Act, 1961, dated December 22, 2013, to Shemaroo Corporation, for the assessment year 2013-2014, with a demand of ₹ 11,700 for short payment and interest on short payment. Shemaroo Corporation has submitted that the discrepancies in the records are due to data entry errors for which correction statements have already been filed. No further communication has been received in this regard.
- (f) The Assistant Commissioner of Income Tax, Mumbai, issued a rectification order under Section 154 of the Income Tax Act, 1961, dated August 17, 2013, to Shemaroo Corporation for the assessment year 2012-13, with a demand of ₹ 2.42 lakhs. Shemaroo Corporation has filed a rectification petition for reducing the aforementioned demand.
- (g) The Assistant Commissioner of Sales Tax, Mumbai, issued a notice under sub-section 5 of Section 23 of the Maharashtra Value Added Tax Act, 2002, dated November 16, 2013, to Shemaroo Corporation for the financial year 2010-11, proposing a tax risk of ₹ 9.69 lakhs on account of incorrect tax credit taken from hawala and RC cancelled sellers. In reply, Shemaroo Corporation vide its letter dated November 30, 2013, submitted certain clarifications on the matter. No further communication has been received in this regard.

- (h) The Deputy Commissioner of Income Tax (Central Processing Cell - TDS), Mumbai, issued an intimation order under Section 200A of the Income Tax Act, 1961, dated March 5, 2014, to Shemaroo Corporation for the assessment year 2014-15, with a demand of ₹ 10,690 for short deduction and interest thereon. No further communication has been received in this regard.

(iii) ***Shemaroo (Warden Road) (merged with Shemaroo Corporation)***

- (a) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated March 15, 2012, under Section 201(1)/201(1A) of the Income Tax Act, 1961, along with a notice of demand dated March 15, 2012, to Shemaroo (Warden Road), for the assessment year 2007-08, under Section 156 of the Income Tax, 1961, demanding ₹ 8160 as on account of short payment and late payment interest under Section 201(1)/201(1A) of the Income Tax Act, 1961 for which correction statements have been filed. Shemaroo (Warden Road) has not received any further communications from the Income Tax Office in this regard.
- (b) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated November 2, 2011, under Section 200A of the Income Tax Act, 1961, along with a notice of demand dated March 21, 2011, to Shemaroo (Warden Road), for the assessment year 2008-2009, under Section 156 of the Income Tax, 1961, demanding ₹ 60 on account of delay in payment of interest under section 200A of the Income Tax Act, 1961. Shemaroo (Warden Road) has not received any further communications from the Income Tax Office in this regard.

(iv) ***Shemaroo Trading Corporation***

- (a) The Assessing Officer of the Income Tax Office (TDS), Mumbai, issued an order dated November 2, 2011, under Section 200A of the Income Tax Act, 1961, along with a notice of demand, to Shemaroo Trading Corporation, for the assessment year 2008-2009, under Section 156 of the Income Tax, 1961, demanding ₹ 1300 on account of short payment and late payment interest under Section 200A of the Income Tax Act, 1961. No further communication has been made in this regard.
- (b) The Sales Tax Officer, Business Audit, Mumbai, issued a notice under sub-section 5 of Section 23 of the Maharashtra Value added Tax Act, 2002, dated May 17, 2013, to Shemaroo Trading Corporation, with an intimation of certain discrepancies during the financial year 2005-06, along with a show cause notice demanding reasons for not imposing penalty under Section 29(3) of the Maharashtra Value added Tax Act, 2002. Additionally, Shemaroo Trading Corporation was also served with a notice under rule 9A of Central Sales Tax (Bombay) Rules, 1957, directing Shemaroo Trading Corporation to produce evidence in support of its claim. In response, Shemaroo Trading Corporation, with its letter dated November 12, 2011, submitted the documents thus demanded. No further communication has been made in this regard.

**2. Pending Proceedings initiated by our Group Companies and entities**

There are no pending proceedings initiated by our Group Companies and entities.

**3. Claims and Notices from Statutory Authorities**

There are no claims and notices from statutory authorities against our Group Companies.

## GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and our current business activities, and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled “Regulations and Policies” beginning on page 130 of this Prospectus.

### 1. Approvals relating to the Issue

- (i) In-principle approval from the NSE dated September 18, 2013; and
- (ii) In-principle approval from the BSE dated September 11, 2013.

### 2. Incorporation Details

- (i) Certificate of incorporation dated April 1, 2011 consequent upon change of name, issued by the Deputy Registrar of Companies, Mumbai, Maharashtra, pursuant to the change in name of our Company from Shemaroo Entertainment Private Limited to Shemaroo Entertainment Limited.
- (ii) Corporate Identification Number: U67190MH2005PLC158288.

### 3. Approvals relating to our business and operations:

Sr. No.	Approval	Authority	Reference / Registration Number	Date	Expiry Date
a)	Certificate of Holograph Image Registration with Bajaj Holographics (India) Pvt. Ltd	International Holograph Manufacturers Association	Member Number 1079 Hologram Registration No. 3927	January 10, 2007	N.A
b)	Allotment of Publishers Identifier under International Standard Numbering System for Books, Software, Mixed Media etc in Publishing Distribution and Library Practices (ISBN system)	Special Officer (BP) ISBN System	ISBN 978-81-910117-0-8	February 11, 2010	N.A
c)	Registration Certificate of Establishment (Commercial Establishment as per the Delhi Shops and Establishment Act, 1954)	Department of Labour Government of National Capital Territory of Delhi	2011005942	February 18, 2011	N.A
d)	Permission to set up a new industrial undertaking for the manufacture of film production by filing an Industrial Entrepreneurial Memorandum (IEM)	Secretariat of Industrial Assistance, Ministry of Commerce and Industry	LIC/IEMS/S-13/2001	June 23, 2000	N.A
e)	Provident Fund Registration Certificate under Employees	Office of the Regional Provident Fund Commissioner	MH/44700	September 13, 2000	N.A

Sr. No.	Approval	Authority	Reference / Registration Number	Date	Expiry Date
	Provident Fund and Miscellaneous Provisions Act, 1952				
f)	Employees State Insurance Corporation Registration Certificate	Deputy Director Regional Office, Maharashtra, Employees State Insurance Corporation	Code no. 31-43443-101	March 14, 2001	N.A
g)	License under provisions of section 394 of Mumbai Municipal Corporation Act, for Plastic Goods-packing and repacking of plastic goods i.e. CD's, DVD's etc. – Plot no 16	Inspector License KE Ward, Municipal Corporation of Greater Mumbai	License No. 871150675	December 14, 2013	December 13, 2014
h)	Registration Certificate of Establishment under Bombay Shops and Establishments Act, 1948.	Senior Inspector, Bombay Shops and Establishments Act, 1948	Registration No. 760047160/COMMERCIALII	April 7, 2008	December 31, 20
i)	Certificate of Registration under Maharashtra Labour Welfare Fund	Maharashtra Labour Welfare Fund	MUM11937	October 6, 2003	N.A
j)	License under provisions of section 394 of Mumbai Municipal Corporation Act, for shooting of processing of cinematographic films and post production; and celluloid based goods, its article/waste	Inspector License KE Ward, Municipal Corporation of Greater Mumbai	License No. 871171004	March 15, 2014	March 16, 2015
k)	NOC from Mumbai Fire Brigade – Plot 18	Municipal Corporation of Mumbai	FBL/S/110/198	March 9, 2011	N.A
l)	NOC from Mumbai Fire Brigade – Plot 16	Municipal Corporation of Mumbai	FBL/S/110/1481	December 6, 2010	N.A
m)	Allotment of Registered workers of Toli no. M/438	The Metal (Excluding Iron and Steel) and paper Markets and Shops Mathadi Labour Board for Greater Mumbai	PL-S/05 dated 29.12.2011	April 12, 2012	NA
n)	Factory Permit U/s 390 & 479 of MMC Act to establish and work a factory	Municipal Corporation of Greater Mumbai	Factory Permit No. 785028637 Renewal Permit No. 786140421	April 1, 2013	March 31, 2015

Sr. No.	Approval	Authority	Reference / Registration Number	Date	Expiry Date
o)	Services Export Promotion Council Registration and Membership	Deputy Director, Services Export Promotion Council	SEPC/03/03/894/2010-11	June 3, 2014	March 31, 2015
p)	Certificate of Registration as Dealer u/s 7(1)/7(2) of the Central Sales Tax Act, 1956	Registering, Licensing Officer under the Contract Labour (Regulation & Abolition) act, 1970, Government of Maharashtra	DYCL/CLA/REGN./PVT./177/DE SK-27/28	April 1, 2011	N/A

#### Approvals relating to intellectual property rights

##### Trademarks

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
1.	Shemaroo	1404502	Class 18 in respect of <i>inter alia</i> Leather and imitations of leather and articles made from these materials and not included in other classes skins, hides, trunks and travelling bags, umbrellas and walking sticks, whips, harness and saddlery	December 7, 2005	December 6, 2015
2.	Shemaroo	1404478	Class 41 in respect of <i>inter alia</i> cine films (rental of) cinema facilities (providing), editing, video tape, television entertainment, entertainer services, film production, movie studios, movie theatre facilities (providing) recording studio services sound recording	December 7, 2005	December 6, 2015
3.	Shemaroo	1404479	Class 42 in respect of <i>inter alia</i> providing of food and drink, temporary accommodation, medical, hygienic and beauty care, veterinary and agricultural services legal services, scientific and industrial research computer programming	December 7, 2005	December 6, 2015
4.	Shemaroo	1404480	Class 40 in respect of <i>inter alia</i> treatment of material	December 7, 2005	December 6, 2015
5.	Shemaroo	1404481	Class 39 in respect of <i>inter alia</i> transportation packaging and storage of goods, travel arrangements	December 7, 2005	December 6, 2015
6.	Shemaroo	1404482	Class 38 in respect of <i>inter alia</i> telecommunication, cable television broadcasting, computer terminals (communication by radio broadcasting)	December 7, 2005	December 6, 2015
7.	Shemaroo	1404483	Class 37 in respect of <i>inter alia</i> building construction repair, installation services	December 7, 2005	December 6, 2015
8.	Shemaroo	1404484	Class 36 in respect of <i>inter alia</i> insurance and financial affairs, monetary affairs, real estate affairs.	December 7, 2005	December 6, 2015
9.	Shemaroo	1404485	Class 35 in respect of <i>inter alia</i> including advertising and business management, business administration, office functions, radio advertising, radio commercials, television,	December 7, 2005	December 6, 2015

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
			advertising television commercials		
10.	Shemaroo	1404486	Class 34 in respect of inter alia including Gutkha, tobacco, raw or manufactured, smokers articles matches	December 7, 2005	December 6, 2015
11.	Shemaroo	1404487	Class 33 in respect of inter alia including wines, spirits and liqueurs	December 7, 2005	December 6, 2015
12.	Shemaroo	1404488	Class 32 in respect of inter alia beer, ale and porter, mineral and aerated water and other non- alcoholic drinks, syrups and preparations making beverages	December 7, 2005	December 6, 2015
13.	Shemaroo	1404489	Class 31 in respect of inter alia Pan masala, mouth freshener, mukhwas, supari, agricultural, horticultural forestry products and grains not included in other classes living animals fresh fruits and vegetables seeds live plants and flowers, foods for animals	December 7, 2005	December 6, 2015
14.	Shemaroo	1404490	Class 30 in respect of inter alia coffee tea, cocoa, sugar, rice, tapioca, sago, coffee substitutes flower and preparations made form cereals bread biscuits cakes pastries and confectionery honey, treacle, yeast baking powder, salt, mustard, pepper, vinegar, sauces, spices, ice.	December 7, 2005	December 6, 2015
15.	Shemaroo	1404491	Class 29 in respect of inter alia meat, fish, poultry and games, meat extracts, preserved dried and cooked fruits and vegetables, jellies jams, eggs, milk, and other dairy products, edible oils and fats and preserves pickles	December 7, 2005	December 6, 2015
16.	Shemaroo	1404493	Class 27 in respect of inter alia carpets, rugs, mats and matting, linoleums and other materials for covering floors, wall hangings (non textile)	December 7, 2005	December 6, 2015
17.	Shemaroo	1404494	Class 26 in respect of inter alia lace and embroidery, ribbons and braid, buttons, press buttons, hook buttons, pins and needles, artificial flowers	December 7, 2005	December 6, 2015
18.	Shemaroo	1404495	Class 25 in respect of inter alia clothing including boots, shoes and slippers	December 7, 2005	December 6, 2015
19.	Shemaroo	1404496	Class 24 in respect of tissue (piece goods) bed and table covers, textile articles not included in other classes	December 7, 2005	December 6, 2015
20.	Shemaroo	1404497	Class 23 in respect of inter alia yarns and threads	December 7, 2005	December 6, 2015
21.	Shemaroo	1404498	Class 22 in respect of inter alia ropes, strings, nets, tents, awnings and tarpaulins and sails, sacks, padding and stuffing materials (hair, capoc, feathers, sea weed), raw fibres, textiles materials	December 7, 2005	December 6, 2015
22.	Shemaroo	1404499	Class 21 in respect of inter alia small domestic utensils and containers (not of precious metal nor coated therewith), combs and sponges, brushes other than paint brushes, brush making materials instruments and material for cleaning purposes, steel wool, glass ware, porcelain and earthen ware not	December 7, 2005	December 6, 2015



Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
			included in other classes		
23.	Shemaroo	1404500	Class 20 in respect of inter alia furniture, mirrors, picture frames, articles (not included in other classes of wood) cork, reeds, canes, wickers, horn, bone, ivory, whale bone, shell, amber, mother of pearl, meerschaum, celluloid and substitutes for all these materials.	December 7, 2005	December 6, 2015
24.	Shemaroo	1404501	Class 19 in respect of inter alia building materials, natural artificial stone, cement lime, mortar, plaster and gravel, pipes of earthen wares or cements, road making materials, asphalt, pitch and bitumen, portable buodings, stone monuments, chimney pots.	December 7, 2005	December 6, 2015
25.	Shemaroo	1404503	Class 17 in respect of inter alia gutta percha, India rubber, balata and substitute articles made from these substances and not included in other classes, materials for packing stopping or insulating, asbestos, mica and their products, hose pipes (non metallic) plastics in the form of sheets, blocks, rods, and tubes being for use in manufactures	December 7, 2005	December 6, 2015
26.	Shemaroo	1404506	Class 14 in respect of inter alia precious metals and their alloys and goods and precious metals or coated therewith (accepts cutlery forks and spoons), jewellery, precious stones, horological and other chronometric instruments	December 7, 2005	December 6, 2015
27.	Shemaroo	1404507	Class 13 in respect of inter alia fire arm ammunition and projectile, explosive substance and fire works	December 7, 2005	December 6, 2015
28.	Shemaroo	1404509	Class 11 in respect of inter alia installations for lading heating steam generating cooking, refrigeration, drying, ventilating water supply and sanitary purposes	December 7, 2005	December 6, 2015
29.	Shemaroo	1404510	Class 10 in respect of inter alia surgical medical, dental and veterinary instruments and apparatus including artificial limbs, eyes and teeth.	December 7, 2005	December 6, 2015
30.	Shemaroo	1404512	Class 8 in respect of inter alia hand tools and instruments, cutlery forks and spoons, side arms	December 7, 2005	December 6, 2015
31.	Shemaroo	1404513	Class 7 in respect of inter alia machines and machine tools, motors (except for vehicles) machine couplings and belting (except for vehicles) large size agricultural implements incubators	December 7, 2005	December 6, 2015
32.	Shemaroo	1404514	Class 6 in respect of inter alia unwrought and partly wrought common metals and their alloys, anchors and those bells, rolled and cast building materials, rails and other metallic materials for railway tracks chains (except driving chains for	December 7, 2005	December 6, 2015

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
			vehicles), cables and wires (no electric), lock smith work, metallic pipes and tube, safes and cash boxes, steel balls, horse shoes nails and screws other goods in non precious metal not included in other classes and ores.		
33.	Shemaroo	1404515	Class 5 in respect of inter alia pharmaceutical veterinary and sanitary substances infants and invalids food, plasters materials for bandaging, materials for stopping teeth, dental was, disinfectants, preparation for killing weeds and destroying vermin	December 7, 2005	December 6, 2015
34.	Shemaroo	1404516	Class 4 in respect of inter alia industrial oils and greases (other than edible oils, fats and essential oils), lubricants, dust laying and absorbing compositions, fuels (including motor spirit) and illuminations, candles, tapers, nightlights and wicks	December 7, 2005	December 6, 2015
35.	Shemaroo	1404518	Class 3 in respect of inter alia bleaching preparations and other substances for laundry use, cleaning polishing, scouring and abrasive preparations, soaps, perfumery, essential oils, cosmetics, hair lotions, dentifiers.	December 7, 2005	December 6, 2015
36.	Shemaroo	1404517	Class 2 in respect of inter alia paints varnishes, lacquers preservatives against rust and against deterioration of wood colouring matters, dyestuffs, morants, resins metals in foil and power form for painters and decorators	December 7, 2005	December 6, 2015
37.	Shemaroo	1404519	Class 1 in respect of Chemical products used in industry, science, photography, agriculture, horticulture, forestry, manures (natural and artificial), fire extinguishing compositions, tempering substances and chemical preparations for soldering chemical substances for preserving food stuffs, tanning substances adhesive substances used in industry	December 7, 2005	December 6, 2015
38.	Shemaroo	1404520	Class 41 in respect of <i>inter alia</i> cine films (rental of) cinema facilities (providing), editing, video tape, television entertainment, entertainer services, film production, movie studios, movie theatre facilities (providing) recording studio services sound recording	December 7, 2005	December 6, 2015
39.	Shemaroo	1404521	Class 38 in respect of inter alia telecommunication, cable television broadcasting, computer terminals (communication by radio broadcasting)	December 7, 2005	December 6, 2015
40.	Shemaroo	1404522	Class 35 in respect of inter alia including advertising and business management, business administration, office functions, radio advertising, radio commercials, television, advertising television commercials	December 7, 2005	December 6, 2015

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
41.	Tina (Logo)	1710111	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	July 14, 2008	July 14, 2018
42.	Tina (Logo)	1710112	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	July 14, 2008	July 14, 2018
43.	Tina (Logo)	1710113	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	July 14, 2008	July 14, 2018
44.	Tina (Logo)	1710114	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	July 14, 2008	July 14, 2018
45.	Tina (Logo)	1710115	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	July 14, 2008	July 14, 2018
46.	Tina (Logo)	1710116	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	July 14, 2008	July 14, 2018
47.	Perry (Logo)	1766507	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	December 22, 2008	December 22, 2018
48.	Perry (Logo)	1766508	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	December 22, 2008	December 22, 2018
49.	Chica (Logo)	1766902	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018
50.	Chica (Logo)	1766903	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	December 22, 2008	December 22, 2018
51.	Chica (Logo)	1766904	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	December 22, 2008	December 22, 2018
52.	Chica (Logo)	1766905	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	December 22, 2008	December 22, 2018
53.	Chica (Logo)	1766906	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	December 22, 2008	December 22, 2018
54.	Pina (Logo)	1766923	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018
55.	Pina (Logo)	1766924	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	December 22, 2008	December 22, 2018
56.	Pina (Logo)	1766925	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	December 22, 2008	December 22, 2018
57.	Pina (Logo)	1766926	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	December 22, 2008	December 22, 2018
58.	Pina (Logo)	1766927	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	December 22, 2008	December 22, 2018
59.	Pina (Logo)	1766928	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	December 22, 2008	December 22, 2018
60.	Esbee (Logo)	1766929	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
61.	Esbee (Logo)	1766930	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	December 22, 2008	December 22, 2018
62.	Esbee (Logo)	1766933	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	December 22, 2008	December 22, 2018
63.	Bal Ganesh (Logo)	1792197	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
64.	Bal Ganesh (Logo)	1792198	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
65.	Bal Ganesh (Logo)	1829144	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
66.	Gorilla (Logo)	1829155	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
67.	Coco (Logo)	1792201	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
68.	Coco (Logo)	1766911	Class 28 in respect of <i>inter alia</i> Leather and imitations of leather and articles made from these materials and not included in other classes skins, hides, trunks and travelling bags, umbrellas and walking sticks, whips, harness and saddlery	December 22, 2008	December 22, 2018
69.	Miss Orange (Logo)	1792207	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
70.	Miss Orange (Logo)	1792208	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
71.	Perry (Logo)	1792209	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
72.	Pina (Logo)	1792211	Class 09 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
73.	Esbee (Logo)	1792213	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
74.	Water Melon (Logo)	1792216	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
75.	Gorilla (Logo)	1792217	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
76.	Ghatothkach (Logo)	1792219	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
77.	Tina (Logo)	1792221	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
78.	Judy (Logo)	1792223	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes,	March 4, 2009	March 4, 2019

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
			motion pictures		
79.	Judy (Logo)	1792224	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
80.	Chintu power (Logo)	1829167	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
81.	Chintu power (Logo)	1829168	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
82.	Chintu power (Logo)	1829169	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
83.	Chintu power (Logo)	1829170	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
84.	Chintu power (Logo)	1829171	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
85.	Chintu power (Logo)	1829172	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
86.	Chintu power (Logo)	1829173	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
87.	Chintu power (Logo)	1829174	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
88.	Matru (Logo)	1829219	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
89.	Kateeli (Logo)	1829207	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
90.	Kateeli (Logo)	1829208	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
91.	Kateeli (Logo)	1829209	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
92.	Kateeli (Logo)	1829210	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
93.	Kateeli (Logo)	1829211	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
94.	Kateeli (Logo)	1829212	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
95.	Kateeli (Logo)	1829213	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
96.	Kateeli (Logo)	1829240	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
97.	Rinki (Logo)	1829230	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
98.	Rinki (Logo)	1829231	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
99.	Rinki (Logo)	1829233	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
100.	Rinki (Logo)	1829234	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
101.	Rinki (Logo)	1829236	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
102.	Rinki (Logo)	1829237	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
103.	Chintu (Logo)	1829159	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
104.	Chintu (Logo)	1829160	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
105.	Chintu (Logo)	1829161	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
106.	Chintu (Logo)	1829162	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
107.	Chintu (Logo)	1829163	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
108.	Chintu (Logo)	1829166	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
109.	Gatruu (Logo)	1829199	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
110.	Gatruu (Logo)	1829200	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
111.	Gatruu (Logo)	1829201	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
112.	Gatruu (Logo)	1829202	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
113.	Gatruu (Logo)	1829203	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
114.	Gatruu (Logo)	1829204	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
115.	Gatruu (Logo)	1829205	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
116.	Gatruu (Logo)	1829206	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes,	June 15, 2009	June 15, 2019

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
			motion pictures		
117.	Muchmuch (Logo)	1829222	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
118.	Muchmuch (Logo)	1829223	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
119.	Muchmuch (Logo)	1829224	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
120.	Muchmuch (Logo)	1829225	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
121.	Muchmuch (Logo)	1829226	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
122.	Muchmuch (Logo)	1829227	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
123.	Muchmuch (Logo)	1829228	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
124.	Muchmuch (Logo)	1829229	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
125.	Matru (Logo)	1829215	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
126.	Matru (Logo)	1829216	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
127.	Matru (Logo)	1829217	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
128.	Matru (Logo)	1829218	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
129.	Matru (Logo)	1829220	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
130.	Matru (Logo)	1829221	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
131.	Rinki power (Logo)	1829175	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
132.	Rinki power (Logo)	1829176	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
133.	Rinki power (Logo)	1829177	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
134.	Rinki power (Logo)	1829178	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
135.	Rinki power (Logo)	1829180	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
136.	Rinki power (Logo)	1829181	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
137.	Rinki power (Logo)	1829182	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
138.	Thul thul (Logo)	1829183	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
139.	Thul thul (Logo)	1829184	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
140.	Thul thul (Logo)	1829185	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including mens shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
141.	Thul thul (Logo)	1829186	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
142.	Thul thul (Logo)	1829187	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
143.	Thul thul (Logo)	1829188	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
144.	Thul thul (Logo)	1829189	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
145.	Thul thul (Logo)	1829190	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019
146.	Pangaa Gang (Logo)	1829191	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
147.	Pangaa Gang (Logo)	1829192	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
148.	Pangaa Gang (Logo)	1829193	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	June 15, 2009	June 15, 2019
149.	Pangaa Gang (Logo)	1829194	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
150.	Pangaa Gang (Logo)	1829195	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
151.	Pangaa Gang (Logo)	1829196	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
152.	Pangaa Gang (Logo)	1829197	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019
153.	Pangaa Gang (Logo)	1829198	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	June 15, 2009	June 15, 2019



Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
154.	Miss Orange (Logo)	1766502	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	December 22, 2008	December 22, 2018
155.	Perry (Logo)	1766505	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	December 22, 2008	December 22, 2018
156.	Miss Apple (Logo)	1766538	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018
157.	Miss Apple (Logo)	1766539	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	December 22, 2008	December 22, 2018
158.	Miss Apple (Logo)	1766540	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	December 22, 2008	December 22, 2018
159.	Miss Apple (Logo)	1766541	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	December 22, 2008	December 22, 2018
160.	Miss Apple (Logo)	1766542	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	December 22, 2008	December 22, 2018
161.	Miss Apple (Logo)	1766543	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	December 22, 2008	December 22, 2018
162.	Benny (Logo)	1766544	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018
163.	Benny (Logo)	1766545	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	December 22, 2008	December 22, 2018
164.	Perry (Logo)	1766504	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	December 22, 2008	December 22, 2018
165.	Perry (Logo)	1766506	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	December 22, 2008	December 22, 2018
166.	Ghatothkach (Logo)	1710105	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	July 14, 2008	July 14, 2018
167.	Ghatothkach (Logo)	1710106	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	July 14, 2008	July 14, 2018
168.	Ghatothkach (Logo)	1710107	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	July 14, 2008	July 14, 2018
169.	Ghatothkach (Logo)	1710108	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	July 14, 2008	July 14, 2018
170.	Ghatothkach (Logo)	1710109	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	July 14, 2008	July 14, 2018
171.	Ghatothkach (Logo)	1710110	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	July 14, 2008	July 14, 2018
172.	Judy (Logo)	1710099	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	July 14, 2008	July 14, 2018
173.	Judy (Logo)	1710101	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans,	July 14, 2008	July 14, 2018

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
			pants		
174.	Judy (Logo)	1710103	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	July 14, 2008	July 14, 2018
175.	Judy (Logo)	1710104	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	July 14, 2008	July 14, 2018
176.	Water Melon (Logo)	1829147	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
177.	Water Melon (Logo)	1829148	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	June 15, 2009	June 15, 2019
178.	Water Melon (Logo)	1829150	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
179.	Water Melon (Logo)	1829152	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
180.	Gorilla (Logo)	1829153	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	June 15, 2009	June 15, 2019
181.	Gorilla (Logo)	1829156	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	June 15, 2009	June 15, 2019
182.	Gorilla (Logo)	1829157	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
183.	Gorilla (Logo)	1829158	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	June 15, 2009	June 15, 2019
184.	Miss Orange (Logo)	1766500	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	December 22, 2008	December 22, 2018
185.	Benny (Logo)	1766546	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	December 22, 2008	December 22, 2018
186.	Benny (Logo)	1766548	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	December 22, 2008	December 22, 2018
187.	Miss Orange (Logo)	1766501	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	December 22, 2008	December 22, 2018
188.	Perry (Logo)	1766503	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018
189.	Judy (Logo)	1710102	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	July 14, 2008	July 14, 2018
190.	Benny (Logo)	1766547	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	December 22, 2008	December 22, 2018
191.	Benny (Logo)	1766549	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	December 22, 2008	December 22, 2018
192.	Miss Orange (Logo)	1766497	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	December 22, 2008	December 22, 2018
193.	Miss Orange (Logo)	1766498	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	December 22, 2008	December 22, 2018
194.	Miss Orange (Logo)	1766499	Class 25 in respect of <i>inter alia</i> readymade garments, apparels	December 22, 2008	December 22, 2018

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
			including men's shirts, t-shirts, jeans, pants		
195.	Chica (Logo)	1792199	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
196.	Chica (Logo)	1792200	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
197.	Chica (Logo)	1792202	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
198.	Benny (Logo)	1792205	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
199.	Benny (Logo)	1792206	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
200.	Esbee (Logo)	1792214	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
201.	Pina (Logo)	1792212	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
202.	Water Melon (Logo)	1792215	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	March 4, 2009	March 4, 2019
203.	Gorilla (Logo)	1792218	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
204.	Ghatothkach (Logo)	1792220	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
205.	Tina (Logo)	1792222	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
206.	Perry (Logo)	1792210	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	March 4, 2009	March 4, 2019
207.	Shemaroo with Logo	1151974	Class 15 in respect of musical instruments	November 20, 2002	November 20, 2022
208.	Shemaroo with Logo	1151977	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	November 20, 2002	November 20, 2022
209.	Water Melon (Logo)	1829151	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	June 15, 2009	June 15, 2019
210.	Chintu (Logo)	1829165	Class 9 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	June 15, 2009	June 15, 2019

Sr. No.	Trademark	Trademark Number	Class and Goods Description	Date of Certificate of Registration	Date of Expiry
211.	Esbee (Logo)	1766934	Class 30 in respect of inter alia coffee, tea, cocoa, sugar, rice, tapioca	December 22, 2008	December 22, 2018
212.	Shemaroo with Logo	1151973	Class 12 in respect of <i>inter alia</i> vehicles, apparatus for locomotion by land, apparatus for locomotion by land, air or water.	November 20, 2012	November 20, 2022
213.	Shemaroo with Logo	1151978	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	November 20, 2012	November 20, 2022
214.	Shemaroo	1404492	Class 28 in respect of inter alia soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	December 7, 2005	December 6, 2015
215.	Shemaroo (Logo)	1404523	Class 16 in respect of inter alia paper, cardboard and goods made from these material	December 7, 2005	December 6, 2015
216.	Shemaroo (Logo)	1404524	Class 09 in respect of inter alia exposed and recorded films, programmes, motion pictures	December 7, 2005	December 6, 2015
217.	Accidentally (Logo)	2315717	Class 16 in respect of inter alia paper, cardboard and goods made from these materials	April 16, 2012	April 15, 2022
218.	Accidentally (Logo)	2315718	Class 25 in respect of inter alia readymade garments, apparels including mens shirts, t-shirts, jeans, pants	April 16, 2012	April 15, 2022
219.	Accidentally (Logo)	2315719	Class 28 in respect of inter alia soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	April 16, 2012	April 15, 2022

### Copyrights

Sr. No.	Copyright Title	Copyright Number	Date of Certificate of Registration
1.	Judy	A-900080/2011	February 21, 2011
2.	Bal Ganesh	A-87171/2009	November 3, 2009
3.	Benny	A-87172/2009	November 3, 2009
4.	Pina	A-87173/2009	November 3, 2009
5.	Water Melon	A-87174/2009	November 3, 2009
6.	Gorilla	A-87175/2009	November 3, 2009
7.	Esbee	A-87176/2009	November 3, 2009
8.	Miss Apple	A-87177/2009	November 3, 2009
9.	Coco	A-87178/2009	November 3, 2009
10.	Perry	A-87179/2009	November 3, 2009
11.	Miss Orange	A-87180/2009	November 3, 2009
12.	Chica	A-87181/2009	November 3, 2009
13.	Gatruu	A-87151/2009	November 3, 2009

<b>Sr. No.</b>	<b>Copyright Title</b>	<b>Copyright Number</b>	<b>Date of Certificate of Registration</b>
14.	Chintu Power	A-87152/2009	November 3, 2009
15.	Chintu	A-87153/2009	November 3, 2009
16.	Pangaa Gang	A-87154/2009	November 3, 2009
17.	Thul Thul	A-87145/2009	November 3, 2009
18.	Rinki Power	A-87146/2009	November 3, 2009
19.	Rinki	A-87147/2009	November 3, 2009
20.	Muchmuch	A-87148/2009	November 3, 2009
21.	Matru	A-87149/2009	November 3, 2009
22.	Kateeli	A-87150/2009	November 3, 2009

### Designs

<b>Sr. No.</b>	<b>Design</b>	<b>Design Number</b>	<b>Class</b>	<b>Date of Certificate of Registration</b>	<b>Date of Expiry</b>
1.	Ghatothkach - Plastic Foil (Self Adhesive)	216205	05-06	May 6, 2008	May 6, 2018
2.	Tina - Plastic Foil (Self Adhesive)	216206	05-06	May 6, 2008	May 6, 2018
3.	Judy - Plastic Foil (Self Adhesive)	216207	05-06	May 6, 2008	May 6, 2018
4.	Bal Ganesh - Plastic Foil (Self Adhesive)	220183	05-06	December 15, 2008	December 15, 2018
5.	Perry - Foil (Self Adhesive)	220184	05-06	December 15, 2008	December 15, 2018
6.	Miss Orange - Foil (Self Adhesive)	220185	05-06	December 15, 2008	December 15, 2018
7.	Miss Apple - Foil (Self Adhesive)	220186	05-06	December 15, 2008	December 15, 2018
8.	Coco - Foil (Self Adhesive)	220187	05-06	December 15, 2008	December 15, 2018
9.	Chica - Foil (Self Adhesive)	220188	05-06	December 15, 2008	December 15, 2018
10.	Esbee - Foil (Self Adhesive)	220189	05-06	December 15, 2008	December 15, 2018
11.	Water Melon - Foil (Self Adhesive)	220190	05-06	December 15, 2008	December 15, 2018
12.	Benny - Foil (Self Adhesive)	220191	05-06	December 15, 2008	December 15, 2018
13.	Pina - Foil (Self Adhesive)	220192	05-06	December 15, 2008	December 15, 2018
14.	Gorilla - Foil (Self Adhesive)	220193	05-06	December 15, 2008	December 15, 2018
15.	Pangaa Gang - Foil (Self Adhesive)	222776	05-06	May 5, 2009	May 5, 2019

## Taxation related registrations

We have received the following major taxation related registrations:

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Date of grant	Validity
1.	Allotment of tax Deduction Account Number (TAN) as per the Income Tax Act, 1961	Income Tax Department, Mumbai	TAN: MUMS51286E	May 21, 2006	N/A
2.	Permanent Account Number (PAN)	Income Tax Department	AAJCS7151G	December 23, 2005	N.A
3.	Tax Deduction Account no.	Income Tax department	MUMS51286E	December 23, 2005	N.A
4.	Certificate of Importer Exporter Code	Office of Joint Director General of Foreign Trade	Ref: RCMC No. 02:E&CSEPC: DEL:REG:5485:MUMB AI:2008-09  IEC Code No. 0308053354	March 5, 2014	March 31, 2015
5.	Certificate of Registration issued under Maharashtra Value Added Tax Act	Sales Tax Department	27680664606V	July 2, 2008	N.A
6.	Certificate of Registration issued under The Central Sales Tax Act	Sales Tax Department	27680664606C	July 2, 2008	N.A
7.	Certificate or Registration issued under Service Tax Act	Service Tax Department	AAJCS7151GST001	August 30, 2012	N.A
8.	Certificate of Registration under sub section (1) of section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer Registration Branch, Profession Tax Division, Mumbai	P.T.R.C Number: 27680664604P	October 16, 2008	N.A
9.	Certificate of enrolment under sub section (2 or (2A) of section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer Registration Branch, Profession Tax Division, Mumbai	P.T.F.C Number: 99851644722P	October 7, 2008	N.A
10.	Central Sales Tax Registration Certificate	Notified Authority under Sales Tax Registration and Turnover Rules, 1957	TIN No. 07530349720	August 21, 2008	N/A
11.	Certificate of Registration under Delhi Value Added Tax Act, 2004	Value Added Tax Officer, Central Registration Cell, Department of Trade and Taxes, Government of N.C.T of Delhi	Registration No.07530349720	August 21, 2008	N/A
12.	Certificate of Registration u/s 16 of Maharashtra Value Added Tax Act, 2002	Sales Tax Officer, Registration Branch, Mumbai	TIN No. 27680664606V	July 2, 2008	N/A
13.	Certificate of Registration under Central Sales Tax (Regulation and Turnover) Rules, 1957	Sales Tax Officer, Registration Branch, Mumbai	TIN No. 27680664606C	July 2, 2008	N/A
14.	Service Tax Registration Certificate	Superintendent Group - IV, Service Tax-I Div. III,	STC No. AAJCS7151GST001	March 14, 2011	N/A

Sr. No.	Approval Granted	Authority	Reference/Registration Number	Date of grant	Validity
		Mumbai Central board of excise and customs			
15.	Certificate of Registration u/s 69 of the Finance Act, 1994, Registration for Taxable Services	Office of the Assistant Commissioner of Service Tax Division-III, Mumbai	STC Code: AAAJCS7151GST001 Premises code: SC0300001	March 4, 2009	N/A
16.	Taxpayer Identification Number	Department of Treasury, Internal Revenue Service, Ogden, Utah, USA	98-1149023	January 9, 2014	N/A

**Applications made in relation to which approvals are pending:**

Sr. No.	Approval applied for	Authority	Reference / Registration Number	Date of Application
1.	Consent of state pollution control board under Water (Prevention and Control of Pollution) Act, 1974, and section 21 of the Air (Prevention and Control of Pollution), Act, 1981	Maharashtra Pollution Control Board	Application No. SEL/MPCB/Sept-11/001	September 19, 2011 and March 10, 2013
2.	Certificate of registration under Contract Labour (Regulation and Abolition) Act, 1970	Assistant Commissioner of labour and Registering Licensing officer under Contract Labour (Regulation and Abolition) Act, 1970	DYCL/CLA/Regn/Pvt/177/DESK-2	February 13, 2013
3.	Factory License under Factories Act, 1948 and related Rules	Deputy Director, Industrial Safety and Health, State of Maharashtra Mumbai	License No. 089289	November 25, 2013
4.	Factory License under Factories Act, 1948 and related Rules	Deputy Director, Industrial Safety and Health, State of Maharashtra Mumbai	License No. 087706	November 25, 2013

**Trademarks**

Sr. No.	Trademark	Class and Goods Description	Authority before which registration is pending	Application Number	Date of Application
1.	Shemaroo	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	1404504	December 7, 2005
2.	Shemaroo	Class 15 in respect of musical instruments	The Registrar of Trademark, Mumbai	1404505	December 7, 2005
3.	Shemaroo	Class 12 in respect of <i>inter alia</i> vehicles, apparatus for locomotion by land, apparatus for locomotion by land, air or water.	The Registrar of Trademark, Mumbai	1404508	December 7, 2005
4.	Shemaroo	Class 09 in respect of <i>inter alia</i> exposed and recorded	The Registrar of Trademark, Mumbai	1404511	December 7, 2005

Sr. No.	Trademark	Class and Goods Description	Authority before which registration is pending	Application Number	Date of Application
		films, programmes, motion pictures			
5.	Shemaroo with Logo	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	1151975	February 7, 2013
6.	Chica (Logo)	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	1766907	December 22, 2008
7.	Coco (Logo)	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	The Registrar of Trademark, Mumbai	1766908	December 22, 2008
8.	Coco (Logo)	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	1766909	December 22, 2008
9.	Coco (Logo)	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	The Registrar of Trademark, Mumbai	1766910	December 22, 2008
10.	Coco (Logo)	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	The Registrar of Trademark, Mumbai	1766912	December 22, 2008
11.	Coco (Logo)	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	1766913	December 22, 2008
12.	Esbee (Logo)	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	The Registrar of Trademark, Mumbai	1766931	December 22, 2008
13.	Esbee (Logo)	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	The Registrar of Trademark, Mumbai	1766932	December 22, 2008
14.	Bal Ganesh (Logo)	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	1829142	June 15, 2009
15.	Bal Ganesh (Logo)	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	The Registrar of Trademark, Mumbai	1829143	June 15, 2009
16.	Bal Ganesh (Logo)	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	The Registrar of Trademark, Mumbai	1829145	June 15, 2009
17.	Chintu (Logo)	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	1829164	June 15, 2009
18.	Matru (Logo)	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	The Registrar of Trademark, Mumbai	1829214	June 15, 2009
19.	Rinki (Logo)	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	The Registrar of Trademark, Mumbai	1829232	June 15, 2009
20.	Rinki (Logo)	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa,	The Registrar of Trademark, Mumbai	1829235	June 15, 2009



Sr. No.	Trademark	Class and Goods Description	Authority before which registration is pending	Application Number	Date of Application
		sugar, rice, tapioca			
21.	Rinki power (Logo)	Class 29 in respect of <i>inter alia</i> preserved, dried and cooked fruits and vegetables	The Registrar of Trademark, Mumbai	1829179	June 15, 2009
22.	Bal Ganesh (Logo)	Class 14 in respect of <i>inter alia</i> wrist watches, table clocks, wall clocks, alarm pieces	The Registrar of Trademark, Mumbai	1829141	June 15, 2009
23.	Judy (Logo)	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	1710100	July 14, 2008
24.	Miss Apple (Logo)	Class 09 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	The Registrar of Trademark, Mumbai	1792203	March 4, 2009
25.	Miss Apple (Logo)	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	The Registrar of Trademark, Mumbai	1792204	March 4, 2009
26.	Gorilla (Logo)	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	1829154	June 15, 2009
27.	Bal Ganesh (Logo)	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	1829146	June 15, 2009
28.	Water Melon (Logo)	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	The Registrar of Trademark, Mumbai	1829149	June 15, 2009
29.	Shemaroo with Logo	Class 20 in respect of <i>inter alia</i> furniture, mirrors, picture frames, articles (not included in other classes of wood) cork, reeds, canes, wickers, horn, bone, ivory, whale bone, shell, amber, mother of pearl, meerscham, celluloid and substitutes for all these materials.	The Registrar of Trademark, Mumbai	1151976	November 20, 2002
30.	Shemaroo with Logo	Class 09 in respect of <i>inter alia</i> exposed and recorded films, programmes, motion pictures	The Registrar of Trademark, Mumbai	1144357	October 18, 2002
31.	Super K (Logo)	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	2315712	April 16, 2012
32.	Super K (Logo)	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	The Registrar of Trademark, Mumbai	2315713	April 16, 2012
33.	Super K (Logo)	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	The Registrar of Trademark, Mumbai	2315714	April 16, 2012
34.	Super K (Logo)	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	2315715	April 16, 2012

Sr. No.	Trademark	Class and Goods Description	Authority before which registration is pending	Application Number	Date of Application
35.	Super K (Logo)	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly television programming	The Registrar of Trademark, Mumbai	2315716	April 16, 2012
36.	Accidentally (Logo)	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	2315720	April 16, 2012
37.	Accidentally (Logo)	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly televisions programming	The Registrar of Trademark, Mumbai	2315721	April 16, 2012
38.	Suddenly(Logo)	Class 16 in respect of <i>inter alia</i> paper, cardboard and goods made from these materials	The Registrar of Trademark, Mumbai	2315722	April 16, 2012
39.	Suddenly(Logo)	Class 25 in respect of <i>inter alia</i> readymade garments, apparels including men's shirts, t-shirts, jeans, pants	The Registrar of Trademark, Mumbai	2315723	April 16, 2012
40.	Suddenly(Logo)	Class 28 in respect of <i>inter alia</i> soft toys, fluffy toys namely teddy bears, fluffy animals, fluffy dolls	The Registrar of Trademark, Mumbai	2315724	April 16, 2012
41.	Suddenly(Logo)	Class 30 in respect of <i>inter alia</i> coffee, tea, cocoa, sugar, rice, tapioca	The Registrar of Trademark, Mumbai	2315725	April 16, 2012
42.	Suddenly(Logo)	Class 41 in respect of <i>inter alia</i> education services, entertainment services, particularly televisions programming	The Registrar of Trademark, Mumbai	2315726	April 16, 2012

### Copyrights

Sr. No.	Copyright Title	Authority before which registration is pending	Application Number	Date of Application
1.	Pangaa Gang	The Registrar of Copyrights, New Delhi	HCI/9018	March 28, 2009
2.	Chintu	The Registrar of Copyrights, New Delhi	HCI/8793	December 18, 2008
3.	Chintu power	The Registrar of Copyrights, New Delhi	HCI/8792	December 18, 2008
4.	Gatruu	The Registrar of Copyrights, New Delhi	HCI/8791	December 18, 2008
5.	Kateeli	The Registrar of Copyrights, New Delhi	HCI/8790	December 18, 2008
6.	Matru	The Registrar of Copyrights, New Delhi	HCI/8789	December 18, 2008
7.	Muchmuch	The Registrar of Copyrights, New Delhi	HCI/8788	December 18, 2008
8.	Rinki	The Registrar of Copyrights, New Delhi	HCI/8787	December 18, 2008
9.	Rinki power	The Registrar of Copyrights, New Delhi	HCI/8786	December 18, 2008
10.	Thul thul	The Registrar of Copyrights, New Delhi	HCI/8785	December 18, 2008
11.	Ghatothkach	The Registrar of Copyrights, New Delhi	HCI/8064	April 24, 2008

<b>Sr. No.</b>	<b>Copyright Title</b>	<b>Authority before which registration is pending</b>	<b>Application Number</b>	<b>Date of Application</b>
12.	Tina	The Registrar of Copyrights, New Delhi	HCJ/8066	April 24, 2008

#### Designs

<b>Sr. No.</b>	<b>Design</b>	<b>Class Number</b>	<b>Authority before which it is pending</b>	<b>Application Number</b>	<b>Date of Application</b>
1.	Thul Thul Cartons	09-03	The Controller of Patents and Designs, Patents Office, Kolkata	222768	May 5, 2009
2.	Rinki Power Cartons	09-03	The Controller of Patents and Designs, Patents Office, Kolkata	222769	May 5, 2009
3.	Rinki Cartons	09-03	The Controller of Patents and Designs, Patents Office, Kolkata	222770	May 5, 2009
4.	Chintu Cartons	09-03	The Controller of Patents and Designs, Patents Office, Kolkata	222771	May 5, 2009
5.	Chintu Power Cartons	09-03	The Controller of Patents and Designs, Patents Office, Kolkata	222772	May 5, 2009
6.	Gatruu Cartons	09-03	The Controller of Patents and Designs, Patents Office, Kolkata	222777	May 5, 2009
7.	Kateeli Cartons	09-03	The Controller of Patents and Designs, Patents Office, Kolkata	222773	May 5, 2009
8.	Matru Cartons	09-03	The Controller of Patents and Designs, Patents Office, Kolkata	222774	May 5, 2009
9.	Muchmuch Cartons	09-03	The Controller of Patents and Designs, Patents Office, Kolkata	222775	May 5, 2009

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for this Issue

- Our Board has, pursuant to its resolution dated February 23, 2013 authorised this Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act, 1956.
- The shareholders of our Company have authorised this Issue by their special resolution passed pursuant to Section 81(1A) of the Companies Act, 1956, at its EGM held on April 11, 2013 and authorised the Board to take decisions in relation to this Issue.
- Further, the IPO Committee has approved the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus through its resolutions dated July 4, 2013, September 2, 2014 and September 23, 2014, respectively.

### Prohibition by RBI

Except as stated below, none of our Company, our Subsidiaries, our Directors, our Promoters, relatives of Promoters, our Promoter Group, and our Group Companies has been declared as wilful defaulters by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them:

Mr. Raman Maroo, our Promoter, is an independent director on the board of Orbit Corporation Limited, a public limited company, (“**Orbit**”), since May 21, 2007. Orbit as well as Mr. Raman Maroo, in his capacity of an independent director of Orbit have been included in the list of wilful defaulters’ of the Reserve Bank of India for the year ended March 31, 2012. Orbit is neither a Promoter nor part of the Promoter Group, Group Companies or Affiliates of our Company.

### Prohibition by SEBI or governmental authorities

We confirm that our Company, our Subsidiaries, Promoters, persons in control of our Promoters, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by the SEBI. Further, SEBI has not initiated any action against the entities associated with the securities market and with which our Directors are associated except as stated below:

- 1) Mr. Gnanesh Gala, an Independent Director of our Company is the managing director of Navneet Education Limited. SEBI has in the past initiated investigation proceedings against Navneet Education Limited, in connection with the scrip of the said company in the case of buying, selling or dealing in the shares of the company, and has in the past, from time to time issued summons to the aforesaid company and Shri. Gnanesh Gala in his capacity as a key managerial personnel under applicable provisions of the Securities and Exchange Board of India Act, 1992 to furnish various documents and information in connection with such investigations, which has been duly addressed to by Navneet Education Limited and/or Shri. Gnanesh Gala, as appropriate, from time to time. SEBI had passed a consent order dated February 2, 2010 in connection with non-disclosure under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended, for the year 1997 and under Regulation 8(3) for the years 1998 to 2001, relating to disclosures to be made to the stock exchanges on the shareholding pattern by Navneet Education Limited. Navneet Education Limited suo motu had proposed settlement of the alleged violations. The High Powered Advisory Committee, constituted by SEBI, considered the consent terms proposed by Navneet Education Limited and recommended the case for settlement. SEBI accepted the said recommendations and communicated the same to Navneet Education Limited vide letter dated January 15, 2010 and the consent order was passed in March 3, 2010. Accordingly, Navneet Education Limited paid an amount of ₹ 2,00,000 (Rupees Two lakhs only) towards settlement charges. Currently there are no pending investigations against the said company.
- 2) Mr. Gnanesh Gala, an Independent Director of our Company is the managing director of Navneet Education Limited. SEBI has in the past initiated investigation proceedings against Mr. Gnanesh Gala in relation to his and/or his immediate relatives, namely, Ms. Priti Gala, Ms. Kasturben Gala, Mr. Devish Gala and Mr. Dungarshibhai Gala (the “**Relatives**”), alleged connection or association with Mr. Nimish R.Shah and the trading carried out in the script of Navneet Publications (India) Limited through the trading account opened with VFC Securities Private Limited, prior to the public announcement on July 16, 2009, of the proposed bonus issue of equity shares by Navneet Publications (India) Limited, and has in the past, issued summons to Mr. Gnanesh Gala to furnish various documents and information in connection with the aforementioned, which has been duly addressed to by Mr. Gnanesh Gala, as appropriate. Mr. Gnanesh Gala vide his letter dated June 22, 2011 has denied any connection or association with Mr. Nimish R Shah, directly or indirectly neither through himself nor his Relatives. Mr. Gnanesh Gala vide the said letter also confirmed that neither of his Relatives have any direct or indirect association or connection with VFC Securities Private Limited, save and except for the trading account opened with VFC Securities Private Limited during 1998 and 2001, which had been non-operational since last several years since the date of the said letter. The investigation department of the SEBI vide its letter dated April 16, 2012, (the “**Letter**”), stated that the investigation revealed that Mr. Gnanesh Gala discussed price sensitive information (in connection with a proposed bonus issue by Navneet (Publications) India Limited) with certain family members which do not fall within the category of key personnel or

directors of a company, as a result of which, the trading pattern of some of the related/associated/connected entities indicated that they had entered into purchase transactions prior to the said public announcement for the proposed bonus issue by Navneet Publications (India) Limited and had sold certain equity shares subsequent to the aforesaid announcement. Accordingly, the investigation department of the SEBI vide the Letter, stating that this matter has been viewed seriously, cautioned Mr. Gnanesh Gala to be careful in the future and avoid recurrence of any such instance, failing which action may be initiated in accordance with the provisions of the SEBI Act and rules and regulations, framed thereunder.

None of our Directors is associated with the securities market in any manner.

### Eligibility for this Issue

Our Company is an unlisted company, complying with the conditions specified in Regulation 26(1) of the SEBI Regulations in the following manner:

- Our Company has net tangible assets of at least ₹ 300 lakhs in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹ 1,500 lakhs, calculated on restated and consolidated basis during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹ 100 lakhs in each of the three preceding full years (of 12 months each);
- The aggregate of the proposed Issue and all previous issues made in the same financial year in terms of the issue size is not expected to exceed five times the pre-Issue net worth of our Company; and
- Our Company has not changed its name in the last fiscal year.

Our Company's net worth, derived from its audited and restated consolidated financial statements for Fiscal 2010, 2011, 2012, 2013 and 2014 is set forth below:

(₹ in lakhs)

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Net Worth <sup>(1)</sup>	17,445.52	14,837.70	12,609.66	9,034.26	7,779.58

<sup>(1)</sup> 'Net worth' means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of the miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance in the profit and loss account.

Our Company's net tangible assets and monetary assets, derived from its audited and restated consolidated financial statements for Fiscal 2012, 2013 and 2014 are set forth below:

(₹ in lakhs)

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Net Tangible assets <sup>(1)</sup>	17,352.77	14,744.29	12,513.65
Monetary assets <sup>(2)</sup>	92.55	112.65	654.23
Monetary assets as a percentage of the net tangible assets	0.53%	0.76%	5.23%

<sup>(1)</sup> 'Net tangible assets' means the sum of all net assets of our Company excluding intangible assets but including Capital work in progress for fixed assets (including capital advances), Current assets, loans and advances and Investments after deducting the Loan funds (i.e. Secured loans and Unsecured loans) and Current liabilities and provisions.

<sup>(2)</sup> Monetary assets comprise of cash, and bank balances public deposit accounts with the Government.

Our Company's average pre-tax operating profits derived from its audited and restated consolidated financial statements for Fiscal 2010, 2011, 2012, 2013 and 2014 are set forth below:

(₹ in lakhs)

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Operating Profits <sup>(1)</sup>	6,434.29	5,735.82	4,654.91	3,420.29	1,752.19
*Average pre-tax operating profit based on the three most profitable years (FY 2014, FY 2013 and FY 2012) out of the immediately preceding five years is ₹ 5,608.34					

<sup>(1)</sup> 'Pre-tax Operating Profits' means Audited Restated Consolidated Profit before Tax for the Year, but after adjusting Minority Interest excluding other income.

In accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted shall not be less than 1,000; otherwise the entire application money will be refunded. In case of delay, if any, in refund our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

This Issue is being made for at least 25% of the post-Issue capital pursuant to Rule 19(2)(b)(i) of the SCRR read with

Regulation 41(a) of the SEBI Regulations. Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations. Further, this Issue is being made through the Book Building Process wherein 50% of the Issue shall be available for allocation to QIBs on a proportionate basis. Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. For further details, see "Issue Procedure" on page 345 of this Prospectus.

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations:

1. Our Company, our Directors, our Promoters, the members of our Promoter Group, the persons in control of our Company and the companies with which our Directors, Promoters or persons in control are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;
2. Our Company has received in-principle approvals for listing of the Equity Shares under this Issue from the NSE and the BSE pursuant to their letters dated September 18, 2013 and September 11, 2013, respectively. For the purposes of this Issue, the BSE shall be the Designated Stock Exchange;
3. Our Company has entered into agreements dated July 20, 2011 and July 7, 2011 with NSDL, CDSL and the Registrar to the Issue, respectively, for dematerialisation of the Equity Shares; and
4. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Prospectus with the RoC.
5. At least 75% of the stated means of finance excluding the amount to be raised through the Net Proceeds or through existing identifiable internal accruals have been tied up. For further details in this regard, see "Objects of the Issue" on page 81 of this Prospectus.

#### **Disclaimer Clause of SEBI**

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMs, YES BANK LIMITED AND ICICI SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMs, YES BANK LIMITED AND ICICI SECURITIES LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs, YES BANK LIMITED AND ICICI SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 5, 2013 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. "WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND

OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS ("DRHP") PERTAINING TO THE SAID ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER;

WE CONFIRM THAT:

- (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI, AND THAT TILL DATE SUCH REGISTRATION IS VALID.
  4. WHEN UNDERWRITTEN, WE WILL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE.
  5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
  6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
  7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO OUR COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE.
  8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF OUR COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE
- AS THE ISSUE SIZE IS MORE THAN ₹ 10 CRORES, UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
- (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND
- (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.



## Price information of past issues handled by the BRLMs

### I. YES Bank Limited

#### 1. Price information of past issues handled by YES Bank Limited

Sr. No.	Issue name	Issue size (₹mm)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
1.	Not Applicable *	Not Applicable *	Not Applicable *	Not Applicable *	Not Applicable *	Not Applicable *	Not Applicable *	Not Applicable *	Not Applicable *	Not Applicable *	Not Applicable *	Not Applicable *	Not Applicable *	Not Applicable *

\* Track record of the performance of the public issues managed is required to be disclosed only for a period of three financial years from the date of listing of each public issues managed, as per SEBI circular dated January 10, 2012

#### 2. Summary statement of price information of past issues handled by YES Bank Limited

Financial year	Total no. of IPOs <sup>(1)</sup>	Total funds raised (Rs mm)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
April 1, 2014 – September 19, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\* Track record of the performance of the public issues managed is required to be disclosed only for a period of three financial years from the date of listing of each public issues managed, as per SEBI circular dated January 10, 2012

#### Notes:

- (a) Based on the date of listing  
(b) Wherever 30th calendar day from listing day is a holiday, the closing data of the next trading date / day has been considered.

### II. ICICI Securities Limited

#### 1. The price information of past issues handled by ICICI Securities Limited is as follows:

Sr No.	Issue Name	Issue Size ₹ (Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	Closing Price on Listing Date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing date (₹)	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing date (₹)	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing date (₹)	Benchmark index as on 30th calendar days from listing day (Closing)
1	Wonderla Holidays Limited	181.25	125	9-May-14	160	157.80	26.24%	6858.80	166.80	7263.55	212.60	7235.65	216.15	7654.60
2	Bharti Infratel Limited	41,727.60	220*	28-Dec-12	200	191.65	-12.89%	5,908.35	207.40	5,988.40	204.95	6,039.20	210.30	6,074.80
3	Credit Analysis and Research Limited	5,399.78	750	26-Dec-12	940	922.55	23.01%	5,905.60	929.25	5,988.40	931.05	6,056.60	924.85	6,074.65
4	Tara Jewels Limited	1,794.99	230	6-Dec-12	242	229.9	-0.04%	5,930.90	230.25	5,857.90	223.75	5,905.60	234.00	5,988.40

\*Discount of ₹ 10 per equity share offered to retail investors and Premium of ₹ 10 per equity share to Anchor investors. All calculations are based on Issue Price of Rs 220.00 per equity share

**Notes:**

- All above data is of NSE (Website [www.nseindia.com](http://www.nseindia.com))
- Benchmark Index considered above in all the cases was NIFTY
- 10th, 20th, 30th trading day from listing day have been taken as listing day plus 10, 20 and 30 calendar days. Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the next trading date / day

2. Summary statement of price information of past issues handled by ICICI Securities Limited:

Financial Year	Total No. of IPO's	Total Funds Raised (₹ Mn.)	Nos. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2014 – September 19, 2014	1	181.25	0	0	0	0	1	0	0	0	0	1	0	0
2013-2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2012-2013	3	48,922.37	0	0	2	0	0	1	0	0	1	0	0	2

### Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, refer to the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the Manager	Website
1.	YES Bank Limited	<a href="http://www.yesbank.in/index.jsp?navigationUrl=%2FYES+Bank+Repository%2Fen%2FCorporate+Banking%2FInvestment+Banking%2FMerchant+Banking+--+Track+record+of+public+issues">http://www.yesbank.in/index.jsp?navigationUrl=%2FYES+Bank+Repository%2Fen%2FCorporate+Banking%2FInvestment+Banking%2FMerchant+Banking+--+Track+record+of+public+issues</a>
2.	ICICI Securities Ltd.	<a href="http://www.icicisecurities.com/OurBusiness/?SubSubReportID=10946">http://www.icicisecurities.com/OurBusiness/?SubSubReportID=10946</a>

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34 AND SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Issue have been complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Issue will be complied with at the time of registration of this Prospectus with the RoC in terms of Section 26 of the Companies Act, 2013.

Disclaimer from our Company, our Directors and the Book Running Lead Managers

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than those contained in this Prospectus or in any advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website, [www.shemarooent.com](http://www.shemarooent.com), or the website of any of our Subsidiaries, our Promoters, Promoter Group, Group Company or of any affiliate or associate of our Company or Subsidiaries, would be doing so at his or her own risk.

### Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement entered into between the Underwriters, our Company and Registrar to the Issue.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be made available for a section of investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor any member of the Syndicate shall be liable to Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

The BRLMs and their respective affiliates may engage in transactions with, and perform services for, our Company and its Group Companies or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and its Group Companies or affiliates for which they have received, and may in the future receive, compensation.

## **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India, including Indian national residents in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI's permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of ₹ 2500 lakhs and pension funds with minimum corpus of ₹ 2500 lakhs, VCFs, the National Investment Fund, insurance funds set up and managed by the army, navy or air force of the Union of India and permitted Non-Residents including FIIs, their Sub-Accounts, FPIs, multilateral and bilateral financial institutions and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

The Red Herring Prospectus and this Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act.

## **Disclaimer Clause of the BSE**

“BSE Limited (“the Exchange”) has given vide its letter dated September 11, 2013, permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

#### **Disclaimer Clause of the NSE**

“As required, a copy of this Offer Document had been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref.: NSE/LIST/216301-D dated September 18, 2013 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which the Issuer’s securities are proposed to be listed. The Exchange has scrutinised this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

#### **Filing**

A copy of the Draft Red Herring Prospectus has been filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, Third Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, Maharashtra.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under Section 32 of the Companies Act, 2013, has been delivered for registration with the RoC located at the address mentioned below. Further, a copy of this Prospectus required to be filed under Section 26 of the Companies Act, 2013, will be delivered for registration with the RoC located at the address mentioned below:

The Registrar of Companies  
100, Everest, Marine Drive,  
Mumbai- 400 002,  
India  
Telephone: +91 22 2281 2639  
Email: roc.mumbai@mca.gov.in

#### **Listing**

Applications have been made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The BSE will be the Designated Stock Exchange with which the ‘Basis of Allotment’ will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken taken within 12 Working Days of the Bid/Issue

Closing Date.

## Consents

Consents in writing of (a) our Directors, our Company Secretary and Compliance Officer, the BRLMs, the Auditor, the lenders to our Company, the legal counsel to the Issue, the advisor to our Company, the Bankers to our Company, the Registrar to the Issue have been obtained; and consents in writing of (b) the Syndicate Members, the Escrow Collection Banks and the refund banks to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Section 26 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI Regulations, M/s M.K. Dandeker & Co. Chartered Accountants have given their written consent for inclusion of their name, report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to our Company and its shareholders, in this Prospectus in the form and context in which they appear in this Prospectus. Further, such consent and report have not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

## Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Auditor, namely, M/s M.K. Dandeker & Co., Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in this Prospectus in relation to: (i) the examination report for our audited and restated standalone financial statements as of Financial Years ended March 31, 2010, 2011, 2012, 2013 and 2014, (ii) the examination report for our audited and restated consolidated financial statements as of Financial Years ended March 31, 2010, 2011, 2012, 2013 and 2014, (iii) statement of tax benefits as provided by the Auditors, and (iv) certificate that the Equity Shares issued to our Promoters pursuant to the bonus issues dated March 26, 2011 and August 29, 2011 are eligible for Promoter's Contribution under Regulation 32 of the SEBI Regulations, included in this Prospectus and such consent has not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

## Issue Related Expenses

The estimated Issue expenses are as under:

The total expenses of the Issue are estimated to be approximately ₹ 1,181.99 lakhs. The breakup of the estimated Issue-related expenses is as follows:

Activity	Expenses* (in ₹ lakhs)	% of Total Issue Expenses	As a % of Issue Size
Listing fees and other costs associated with listing including SEBI fees, processing fees of Stock Exchanges, bidding software expenses, depository charges etc.	73.44	6.21	0.61
Lead management, underwriting and selling commissions (including commission payable to SCSBs and Registered Brokers)	410.00	34.69	3.42
Processing fees to the SCSBs for processing ASBA Forms procured by the Syndicate or Registered Brokers and submitted to the SCSBs **	4.62	0.39	0.04
Advertising and marketing expenses	181.38	15.35	1.51
Printing and stationery (including distribution)	239.19	20.24	1.99
Registrar's fees	11.24	0.95	0.09
Fees paid to Bankers to the Issue	-	-	-
Other (audit fees, legal fees etc.)	262.13	22.18	2.18
<b>Total estimated Issue expenses</b>	<b>1,181.99</b>	<b>100.00</b>	<b>9.85</b>

\*Inclusive of applicable taxes

*\*\* SCSBs would be entitled for processing fee of ₹ 15 for each ASBA Form procured by the Syndicate or Registered Brokers and submitted to SCSBs.*

Our Company shall pay the underwriting commission, procurement commission if any, brokerage due to the underwriters and stock brokers/sub-brokers and any other fees and commission payable in relation to the Issue as per the engagement letters executed among our Company and the BRLMs. All commercial terms in the engagement letters executed among our Company and the BRLMs with relation to the fees and commissions shall prevail.

#### **Fees, Brokerage and Selling Commission Payable to the Book Running Lead Managers and the Syndicate Members**

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission, selling commission and reimbursement of their out-of-pocket expense) will be as stated in the engagement letters among our Company the BRLMs, copies of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

#### **Fees Payable to the Registrar to the Issue**

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of Allotment Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated June 5, 2013 entered into, between our Company and the Registrar to the Issue a copy of which is available for inspection at the Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund in any of the modes described in this Prospectus or Allotment Advice by registered post/speed post/ordinary post.

#### **Public or Rights Issues during the last five years**

Our Company has not made any previous public or rights issues in the five years preceding the date of this Prospectus.

#### **Previous Issues of securities otherwise than for cash**

Other than as disclosed in the section titled "Capital Structure" on page 70 of this Prospectus, our Company has not issued any securities for consideration other than cash.

#### **Public Issues in the last three years**

Neither our Company nor our Subsidiaries, Group Companies or Associate Companies, have made any public issue (including any rights issue to the public) in the last three years.

#### **Performance vis-à-vis Objects**

There has been no public issue (including any rights issue to the public) by our Company, Group Companies and entities, our Subsidiaries or our Associate Companies.

#### **Underwriting Commission, Brokerage and Selling Commission on Previous Issues**

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

#### **Outstanding Debentures or Bond Issues or Preference Shares**

Our Company has no outstanding debentures or bonds or redeemable preference shares or other instruments as of the date of this Prospectus.

## **Stock Market Data of the Equity Shares**

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

## **Other Disclosures**

Except as disclosed in the section titled “Capital Structure” on page 79 of this Prospectus, none of our Directors, Promoters, and/or the members of our Promoter Group has purchased or sold any securities of our Company, during a period of six months preceding the date of filing the Draft Red Herring Prospectus with SEBI.

SEBI has not initiated any action against any entity associated with the securities market, with which our Directors are associated.

## **Mechanism for Redressal of Investor Grievances**

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least 3 years from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or collection centre of SCSB where the physical ASBA Form was submitted by an ASBA Bidder.

## **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Ankit Singh, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related issues. He can be contacted at the following address:

Shemaroo House,  
Plot no.18,  
Marol Co-operative Industrial Estate,  
Off Andheri Kurla Road,  
Andheri East,  
Mumbai- 400059.  
**Telephone:** +91 22 4031 9911  
**Facsimile:** +91 22 2851 9770  
**E-mail:** compliance.officer@shemaroo.com

## **Disposal of investor grievances by listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956**

We do not have any listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 and therefore there are no investor complaints pending against our companies.

## **Change in Auditors**

There have been no changes in our Company's auditors in the last three years, except as described below:



<b>Name of Auditor</b>	<b>Date of Appointment</b>	<b>Date of Resignation</b>	<b>Reasons for change</b>
M/s Gawande and Associates	September 30, 2006	July 11, 2011	Non-peer reviewed
M/s M.K Dandeker and Co.	July 11, 2011	-	Appointment

#### **Capitalisation of Reserves or Profits**

Our Company has not capitalised our reserves or profits during the last five years, except as stated in the section titled Capital Structure on pages 69 to 70 of this Prospectus.

#### **Revaluation of Assets**

Our Company has not revalued its assets since its incorporation.

## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, this Prospectus, the Bid-cum-Application Form, the Revision Form, the Anchor Investor Allocation Notice (in case of Anchor Investors), the CAN and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to applicable laws, guidelines, notifications and regulations relating to the issue and transfer of capital and listing of securities, issued from time to time by SEBI, the GoI, the Stock Exchanges, RBI, RoC, FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

#### Authority for this Issue

- Our Board has, pursuant to its resolution dated February 23, 2013 authorised this Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act, 1956.
- The shareholders of our Company have authorised this Issue by their special resolution passed pursuant to Section 81(1A) of the Companies Act, 1956, at its EGM held on April 11, 2013 and authorised the Board to take decisions in relation to this Issue.
- Further, the IPO Committee has approved the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus through its resolutions dated July 4, 2013, September 2, 2014 and September 23, 2014, respectively.

#### Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and the Companies Act and shall rank *pari passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Equity Shares under the Issue will be entitled to dividends and/or any other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled “Main Provisions of the Articles of Association” beginning on page 393 of this Prospectus.

#### Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to the shareholders of our Company as per the provisions of our Memorandum and Articles, the Companies Act and the Listing Agreement.

#### Face value and Issue Price

The Equity Shares with a face value of ₹ 10 each shall be issued in terms of the Red Herring Prospectus and this Prospectus at a price of ₹ 170 per Equity Share. The Anchor Investor Issue Price is ₹ 170 per Equity Share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws.

The Price Band, the minimum bid lot and the Retail Discount was decided by our Company in consultation with the Book Running Lead Managers and was advertised at least five Working Days prior to the Bid/Issue Opening Date, in an English national daily newspaper, a Hindi national daily newspaper and a regional newspaper in Marathi each with wide circulation.

#### Retail Discount

A discount of 10% to the Issue Price, i.e. ₹ 17 per Equity Share has been offered to Retail Individual Bidders at the time of Bidding. The Price Band, the minimum bid lot and the Retail Discount was decided by our Company in consultation with the Book Running Lead Managers and was advertised at least five Working Days prior to the Bid/Issue Opening Date. Retail Individual Bidders Bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount at the time of Bidding. Retail Individual Bidders Bidding must ensure that the Bid Amount does not exceed ₹ 200,000. Please see “*Issue Procedure - Part B: General Information Document for Investing in Public Issues - Section 5: Issue Procedure in Book Built Issue - Grounds for Technical Rejections*” on pages 381 to 382 of this Prospectus, for information on rejection of Bids.

## **Compliance with SEBI Regulations**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- right to receive dividend, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;
- right of free transferability, subject to applicable statutory and or regulatory requirements; and
- such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreement and our Company's Memorandum and Articles of Association.

For further details on the main provisions of our Company's Articles of Association including those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see the section titled "Main Provisions of the Articles of Association" beginning on page 393 of this Prospectus.

## **Market lot and trading lot**

As per the applicable law, the trading of the Equity Shares shall only be in dematerialised form for all investors. Since trading of the Equity Shares will be in dematerialised form, the marketable lot is one Equity Share. In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. Allotment in the Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 85 Equity Shares to successful Bidders.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Mumbai, India.

## **Nomination facility to the Investor**

In accordance with Section 72 of the Companies Act, 2013, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death while the nominee is still a minor. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or at the registrar and transfer agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

1. To register himself or herself as the holder of the Equity Shares; or
2. To make such transfer of the Equity Shares as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require a change the nomination, they are requested to inform their respective depository participant.

### **Minimum subscription**

If our Company does not receive (i) the minimum subscription of 90% of the Issue within the Bidding/Issue Period; and/or (ii) a subscription in the Issue equivalent to the minimum number of securities as specified under Rule 19(2)(b)(ii) of the SCRR, including devolvement of Underwriters, if any, our Company shall refund the entire subscription amount received, within period as prescribed under Regulation 14 of the SEBI Regulations. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law.

**Further, in terms of Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 1,000.**

### **Application by Eligible NRIs, FIIs and FPIs**

It is to be distinctly understood that there is no reservation for Eligible NRIs, FIIs and FPIs. All Non Residents, NRIs, FIIs, FPIs, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer, subject to the applicable ceiling for foreign investment in such Indian company, without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. As per existing regulations, OCBs cannot participate in the Issue.

### **Arrangements for disposal of odd lots**

Since the Equity Shares will be traded in dematerialised form only, the market lot for the Equity Shares will be one and no arrangements for disposal of odd lots are required.

### **Restriction on transfer and transmission of shares**

There are no restrictions on transfers and transmission of shares and on their consolidation/splitting except as provided in our Articles. For details, see the section titled “Main Provisions of the Articles of Association” beginning on page 393 of this Prospectus.

However, in terms of the SEBI Regulations, Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

### **Option to receive Equity Shares in Dematerialised Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialised form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialised segment of the Stock Exchanges.

### **Joint Holders**

Where two or more persons are holding the Equity Shares, they shall be deemed to hold the same as joint tenants with the benefits of survivorship.

## ISSUE STRUCTURE

The Issue is of 7,333,332 Equity Shares for cash at a price of ₹ 170\* per Equity Share including a share premium of ₹ 160 per Equity Share, aggregating to ₹ 12,000 lakhs. The Issue shall constitute 26.98 % of the post Issue paid-up capital of our Company.

*\*Retail Discount of 10% to the Issue Price, i.e. ₹ 17 per Equity Share has been offered to Retail Individual Bidders.*

The Issue is being made through the Book Building Process.

	<b>QIBs<sup>#</sup></b>	<b>Non-Institutional Bidders</b>	<b>Retail Individual Bidders</b>
Number of Equity Shares	3,529,411 Equity Shares.	Not less than 1,058,823 Equity Shares available for allocation or Issue less allocation to QIBs and Retail Individual Bidders.	Not less than 2,745,098 Equity Shares available for allocation or Issue less allocation to QIBs and Non-Institutional Bidders.
Percentage of Issue size available for Allotment/allocation	50% of the Issue being available for allocation. However, up to 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the Net QIB Portion.	Not less than 15% of the Issue or the Issue less allocation to QIBs and Retail Individual Bidders.	Not less than 35% of the Issue or the Issue less allocation to QIBs and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) 70,591 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) 1,341,215 Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	In the event, the Bids received from Retail Individual Bidders exceeds 2,745,098 Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot (" <b>Maximum RII Allottees</b> "). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner:  In the event the number of Retail Individual Bidders who have submitted valid Bids in

	<b>QIBs<sup>#</sup></b>	<b>Non-Institutional Bidders</b>	<b>Retail Individual Bidders</b>
			<p>the Issue is equal to or less than Maximum RII Allottees, (i) Retail Individual Bidders shall be Allotted the minimum Bid lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the Retail Individual Bidders who have received Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).</p> <p>In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis.</p>
Minimum Bid	Such number of Equity Shares in multiples of 85 that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares in multiples of 85 that the Bid Amount exceeds ₹ 200,000.	85 Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of 85 not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of 85 not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of 85 such that the Bid Amount does not exceed ₹ 200,000 net of Retail Discount.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	85 Equity Shares and in multiples of 85 Equity Shares thereafter.	85 Equity Shares and in multiples of 85 Equity Shares thereafter.	85 Equity Shares and in multiples of 85 Equity Shares thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	(i) a Mutual Fund registered with SEBI; (ii) a FII and sub-account (other than a sub account which is a foreign corporate or foreign individual), registered with SEBI; (iii) a FPI other than	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI,	Retail Individual Bidders

	<b>QIBs<sup>#</sup></b>	<b>Non-Institutional Bidders</b>	<b>Retail Individual Bidders</b>
	Category III foreign portfolio investors, (iv) public financial institution as defined in Section 2(72) of the Companies Act, 2013; (v) AIFs, (vi) a scheduled commercial bank; (vii) a multilateral and bilateral development financial institution; (viii) a state industrial development corporation; (ix) an insurance company registered with the Insurance Regulatory and Development Authority; (x) a provident fund with minimum corpus of ₹ 250 million; (xi) a pension fund with minimum corpus of ₹ 250 million; (xii) National Investment Fund set up by resolution no. F. No. 2/3/2005 DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xiii) insurance funds set up and managed by army, navy or air force of the Union of India; and (xiv) insurance funds set up and managed by the Department of Posts, India eligible for Bidding in the Issue.	which are foreign corporates or foreign individuals, QFIs and Category III foreign portfolio investors.	
Terms of Payment <sup>@</sup>	The entire Bid Amount shall be blocked in an account with a SCSB at the time of submission of Bid-cum-Application Form.***	The entire Bid Amount shall be blocked in an account with a SCSB at the time of submission of Bid-cum-Application Form.	The Bid Amount shall be payable/be blocked in an account with a SCSB at the time of submission of Bid-cum-Application Form.

*#Our Company may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, see the section titled “Issue Procedure” on pages 349 to 351 of this Prospectus.*

*\*\*Subject to valid Bids being received at or above the Issue Price. The Issue is being made through the Book Building Process wherein 50% of the Issue will be available for allocation to QIBs. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and*

*Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 70,591 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to QIBs in proportion to their Bids. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. Under-subscription, if any in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for the Issue.*

*@ In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the ASBA Account specified in the ASBA Form submitted by the ASBA Bidder. In case the Bid-cum-Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form.*

*\*\*\* Except for Anchor Investors, who would not be participating in the Issue using the ASBA facility.*

## **Retail Discount**

A discount of 10% to the Issue Price, i.e. ₹ 17 per Equity Share has been offered to Retail Individual Bidders at the time of Bidding. The Price Band, the minimum bid lot and the Retail Discount was decided by our Company in consultation with the Book Running Lead Managers and was advertised at least five Working Days prior to the Bid/Issue Opening Date. Retail Individual Bidders Bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount at the time of Bidding. Retail Individual Bidders Bidding must ensure that the Bid Amount does not exceed ₹ 200,000. Please see “**Issue Procedure - Part B: General Information Document for Investing in Public Issues - Section 5: Issue Procedure in Book Built Issue - Grounds for Technical Rejections**” on pages 381 to 382 of this Prospectus, for information on rejection of Bids.

## **Withdrawal of the Issue**

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such event, our Company shall issue a public notice in an English language national daily newspaper, a Hindi language national daily newspaper, and a Marathi language daily newspaper, each with wide circulation, in which the pre-Issue advertisements were published, which shall include reasons for such withdrawal, within two days of closure of the Issue. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the ASBA Accounts.

Further, in the event of a withdrawal of the Issue, if our Company subsequently determines that it will proceed with an initial public offering of its Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC, after this Prospectus is filed with the RoC.

## **Issue Programme**

<b>ISSUE OPENED ON*</b>	<b>September 16, 2014</b>
<b>ISSUE FOR QIBS CLOSED ON</b>	<b>September 18, 2014</b>
<b>ISSUE FOR RETAIL AND NON INSTITUTIONAL BIDDERS CLOSED ON</b>	<b>September 18, 2014</b>

*\* The Anchor Investor Bidding Date was one Working Day prior to the Bid / Issue Opening Date, i.e. September 15, 2014.*

An indicative timetable in respect of this Issue is set out below:

<b>Event</b>	<b>Indicative Date</b>
Bid/ Issue Closing Date	September 18, 2014
Finalization of basis of allotment with the Designated	On or before September 27, 2014



Stock Exchange	
Initiation of refunds	On or before September 30, 2014
Credit of Equity Shares to investors' demat accounts	On or before September 30, 2014
Commencement of trading	On or before October 7, 2014

The above timetable is indicative and does not constitute any obligation on our Company or the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bidding/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable law.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids will be accepted only between **10.00 a.m. and 5.00 p.m. IST** during the Bidding/Issue Period at the Bidding Centres mentioned in the Bid-cum-Application Form, or in the case of ASBA Bidders, at the Designated Branches of the SCSBs or at the branches of the members of the Syndicate at the Syndicate ASBA centres, as the case may be, except that on the Bid/Issue Closing Date (which for QIBs will be a day prior to the Bid/Issue Closing Date for other non-QIB Bidders), Bids will be accepted only between **10.00 a.m. and 3.00 p.m. IST** and uploaded until (i) **5.00 p.m.** in case of Bids by QIB Bidders, Retail Individual Bidders; and until (ii) **4.00 p.m.** for Non-Institutional Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders other than QIB Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and no later than **12.00 p.m. IST** on the Bid/Issue Closing Date. Bidders other than QIB Bidders and Anchor Investors are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company and the Syndicate will not be responsible. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum-Application Forms and ASBA Forms as stated herein and reported by the BRLMs to the Stock Exchanges within half an hour of such closure.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid-cum-Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the revised Floor Price and the revised Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed at least five Working Days prior to the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bidding/Issue Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the total Bidding/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the SCSBs, BSE and the NSE, by issuing an advertisement and also by indicating the changes on the website of the BRLMs and at the terminals of the Syndicate.

## ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 issued by SEBI (the “General Information Document”) included below under section “- **Part B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus.

Please note that QIBs (other than Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders can participate in the Issue through the ASBA process as well as the non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to non-ASBA Bidders. However, there is a common Bid cum Application Form for ASBA Bidders (submitted to SCSBs or to the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centers) as well as for non-ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

ASBA Bidders may submit ASBA Bids to a Designated Branch (a list of such branches is available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) or to the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centers. Non-ASBA Bidders are required to submit Bids to the Syndicate, only on a Bid cum Application Form bearing the stamp of a member of the Syndicate or the Registered Broker. ASBA Bidders are advised not to submit Bid cum Application Forms to Escrow Collection Banks, unless such Escrow Collection Banks are also SCSBs.

All Bidders are required to pay the full Bid Amount or, in case of ASBA Bids, ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

SEBI by its circular (CIR/CFD/DIL/1/2011) dated April 29, 2011 (“**2011 Circular**”) has made it mandatory for the non retail bidders i.e., QIBs (other than Anchor Investors) and Non Institutional Bidders to make use of the facility of ASBA for making applications for public issues. Further, the 2011 Circular also provides a mechanism to enable the Syndicate and sub-Syndicate Members to procure Bid cum Application Forms submitted under the ASBA process from prospective Bidders. SEBI by its circular (CIR/CFD/14/2012) dated October 4, 2012 (“**2012 Circular**”), has introduced an additional mechanism for prospective Bidders to submit Bid cum Application Forms (ASBA and non-ASBA applications) using the stock broker network of Stock Exchanges, who may not be Syndicate Members in the Issue. The 2012 Circular envisages enabling this facility to submit the Bid cum Application Forms in more than 1,000 locations which are part of the nationwide broker network of the Stock Exchanges and where there is a presence of the brokers’ terminals, by March 1, 2013. Further, SEBI by its circular (CIR/CFD/DIL/ 4 /2013) dated January 23, 2013 (“**2013 Circular**”), in partial modification of the 2011 Circular, mandates that in order to facilitate Syndicate/ sub-Syndicate/ non-Syndicate Members to accept Bid cum Application Forms from prospective ASBA Bidders in the locations, all the SCSBs having a branch in the location of Broker Centers, notified in terms of the 2012 Circular are required to name at least one branch before March 1, 2013, where Syndicate/sub-Syndicate/ non-Syndicate Members can submit such Bid cum Application Forms.

*Please note that pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2012, certain aspects, such as withdrawal and revision of Bids, manner of allocation to Retail Individual Bidders and announcement of Price Band, have been modified. Please note that such modifications have come into effect from October 12, 2012 and all Bidders are advised to read this section carefully before participating in the Issue.*

## **PART A**

### ***Book Building Procedure***

The Issue is being made through the Book Building Process wherein 50% of the Issue shall be available for allocation to QIBs on a proportionate basis. Provided that our Company may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis out of which at least one-third shall be reserved for domestic Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be Allotted on proportionate basis.

Under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

In case of QIBs (other than Anchor Investors) the BRLMs can reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. Further, Bids from QIBs can also be rejected on technical grounds, as listed in ***"Issue Procedure - Part B: General Information Document for Investing in Public Issues - Section 5: Issue Procedure in Book Built Issue - Grounds for Technical Rejections"*** on pages 381 to 382 of this Prospectus. In case of Non Institutional Bidders, Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds only. However, our Company, in consultation with the BRLMs, reserves the right to reject any Bid received from Anchor Investors without assigning any reasons.

Bidders can Bid at any price within the Price Band. The Price Band for the Issue will be decided by our Company, in consultation with the BRLMs, and the Bid lot for the Issue will be decided by our Company, in consultation with the BRLMs and published in an English national daily newspaper, a Hindi national daily newspaper and a regional newspaper in Marathi, each with wide circulation, at least five Working Days prior to the Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be pre-filled in the Bid cum Application Forms available on, the Stock Exchanges' websites.

Bidders are required to ensure that the PAN (of the sole/ First Bidder) provided in the Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

### **Bid cum Application Form**

Please note that there is a common Bid cum Application Form for ASBA Bidders (submitted to SCSBs or to the

Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centers) as well as for non-ASBA Bidders. Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Syndicate Member, the Registered Brokers, the SCSBs and the Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available on the websites of the SCSBs, the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)) and the terminals of the Registered Brokers. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.

QIBs (other than those investing in the Anchor Investor Portion) and Non-Institutional Investors shall mandatorily participate in the Issue only through the ASBA process. Retail Individual Investors can participate in the Issue through the ASBA process as well as the non-ASBA process.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis**	White
Eligible NRIs, FPIs or Foreign Venture Capital Investors, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Anchor Investors***	White

\* *Excluding electronic Bid cum Application Form*

\*\* *Bid cum Application Forms and the abridged Prospectus will also be available on the website of the NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com))*

\*\*\* *Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs*

All non-ASBA Bidders are required to submit their Bids through the Syndicate or the Registered Brokers only. ASBA Bidders are required to submit their Bids through the SCSBs (in physical or electronic form) or with the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centers, authorising SCSBs to block funds that are available in the ASBA Account specified in the Bid cum Application Form. Non-ASBA Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate or a Registered Broker for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate or the Registered Brokers will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder. The Bidder should preserve this acknowledgment slip and should provide the same for any queries relating to non-Allotment of Equity Shares in the Issue.

Kindly note that the Syndicate/ Sub Syndicate or the Registered Broker at the Specified Locations or the Brokers Centers, as applicable, may not accept the Bid if there is no branch of the Escrow Collection Banks at that location.

**ASBA Bidders bidding through a member of the Syndicate or a Registered Broker should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations or to a Registered Broker in a Broker Center. ASBA Bidders should also note that Bid cum Application Forms submitted to the member of the Syndicate in the Specified Locations or a Registered Broker at a Broker Center will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of**

the Syndicate or the Registered Broker to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

It is not obligatory for the Registered Broker to accept the Bid cum Application Forms. However, upon acceptance of a Bid cum Application Form, it is the responsibility of the Registered Broker to comply with the obligations set out in 2012 Circular, including in relation to uploading the Bids on the online system of the Stock Exchanges, depositing the cheque and sending the updated electronic schedule to the relevant branch of the Escrow Collection Bank (in case of Bids by Bidders other than ASBA Bidders) and forwarding the schedule along with the Bid cum Application Form to the relevant branch of the SCSB (in case of Bids by ASBA Bidders), and are liable for any failure in this regard. Upon completion and submission of the Bid cum Application Form to a Syndicate or the Registered Broker or the SCSB, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing this Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder. Upon the filing of this Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form.

To supplement the foregoing, the mode and manner of Bidding through the Bid cum Application Form is illustrated in the following chart:

Category of bidder	Mode of Bidding	To whom the application form has to be submitted
Retail Individual Bidders	Either (i) ASBA or (ii) non-ASBA	<p>In case of ASBA Bidders</p> <p>(i) If using physical Bid cum Application Form, to the Syndicate/ Sub Syndicate at the Specified Locations, or to the Designated Branches of the SCSBs where the ASBA Account is maintained, or to the Registered Brokers at the Broker Centres; or</p> <p>(ii) If using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the ASBA account is maintained.</p> <p>In case of non-ASBA Bidder:</p> <p>Using physical Bid cum Application Form, to the Syndicate/ Sub Syndicate at the Specified Locations or the Registered Brokers at the Broker Centres.</p>
Non Institutional Bidders and QIBs (excluding Anchor Investors)	ASBA ( <i>Kindly note that ASBA is mandatory and no other mode of Bidding is permitted</i> )	<p>(i) If using physical Bid cum Application Form, to the Syndicate/ Sub Syndicate at the Specified Locations, or to the Designated Branches of the SCSBs where the ASBA Account is maintained, or to the Registered Brokers at the Broker Centres; or</p> <p>(ii) If using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the ASBA account is maintained.</p>
Anchor Investors	Non-ASBA	To the Book Running Lead Managers

### Who can Bid?

In addition to the category of Bidders set forth under “– *General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III Foreign Portfolio Investor;
- Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under

the Non Institutional Investors (NIIs) category; and

- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.

### **Participation by associates and affiliates of the BRLMs and the Syndicate Members**

The BRLMs and the Syndicate Members shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs or the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

### **Bids by Mutual Funds**

As per the SEBI Regulations, at least one third of the Anchor Investor Portion will be reserved for domestic Mutual Funds and 5% of the QIB Portion (excluding Anchor Investor Portion) is reserved for allocation to Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund portion is greater than 70,591 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

**In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

### **Bids by Eligible NRIs**

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their NRE Account or FCNR Account, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE Account or FCNR Account, as the case may be. Payment for Bids by non-resident Bidder bidding on a repatriation basis will not be accepted out of NRO Accounts.

NRIs Bidding on non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR Accounts as well as the NRO Account /Non-Resident

(Special) Rupee account / Non-Resident Non-Repatriable Term Deposit Account. NRIs Bidding on nonrepatriation basis are advised to use the Bid cum Application Form for Residents (white in colour).

### **Bids by FPIs**

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Any QFI or FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, a QFI may participate in the Issue until January 6, 2015 (or such other date as may be specified by SEBI) or if obtains a certificate of registration as FPI, whichever is earlier. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Further, in terms of the FPI Regulations, a QFI may continue to buy, sell or otherwise deal in securities, subject to the provisions of the FPI Regulations, for one year from the date of the agreement (or such other date as may be specified by SEBI) or until the QFI obtains a certificate of registration as FPI, whichever is earlier. QFIs shall be eligible to Bid under the Non-Institutional Bidders category.

The existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively. In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

**FPIs are permitted to participate in the Issue only through the foreign portfolio investment scheme in accordance with Schedule 2A of the FEMA Regulations and FIIs are permitted to participate in the Issue only through the portfolio investment scheme in accordance with Schedule 2 of the FEMA Regulations.**

### **Bids by Anchor Investors**

Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor

Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- (i) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 1,000.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 1,000.00 lakhs.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid/Issue Opening Date and be completed on the same day.
- (v) Our Company in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, subject to:
  - a. a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 1,000.00 lakhs;
  - b. minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 1,000.00 lakhs but up to ₹ 25,000.00 lakhs, subject to a minimum Allotment of ₹ 500.00 lakhs per Anchor Investor, and
  - c. minimum of five and maximum of 25 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 25,000.00 lakhs, subject to a minimum Allotment of ₹ 500.00 lakhs per Anchor Investor.
- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding/Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (viii) If the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price will be payable by the Anchor Investors within two Working Days from the Bid/Issue Closing Date. If the Issue Price is lower than the Anchor Investor Issue Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- (ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (x) The BRLMs, our Promoters, Promoter Group, Group Companies or any person related to them will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.
- (xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- (xii) For more information, see the section “**Issue Procedure - Part B: General Information Document for Investing in Public Issues - Section 7: Allotment Procedure and Basis of Allotment - Allotment to Anchor Investor**” on pages 383 to 386 of this Prospectus.



(xiii) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI VCF Regulations and FVCI Regulations, *inter alia* prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, the AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the AIF Regulations shall continue to be regulated by the VCF Regulations.

**All Non-Resident Bidders including Eligible NRIs, FPIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian rupees will be converted into USD or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company or BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30% of the paid up share capital of the investee company or 30% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval). Further, the RBI Master Circular of July 1, 2014, sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 are broadly set forth below:

- (a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and
- (c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of a Bid by way of ASBA pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Bid cum Application Form.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to Bids by FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- (b) With respect to Bids by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged along with the Bid cum Application Form.
- (c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- (d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

**The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.**

### **General Instructions**

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate (except in case of electronic forms) or with respect to ASBA Bidders, ensure that your Bid is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account, or to a Registered Broker at the Broker Centres.
6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;
7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. QIBs (other than Anchor Investors) and the Non-Institutional Bidders should submit their Bids through the ASBA process only;
9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
10. Ensure that you request for and receive a TRS for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);
12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;

14. Instruct your respective banks not to release the funds blocked in the ASBA Account under the ASBA process;
15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
17. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
19. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms.
20. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
21. Ensure that the category and sub-category is indicated;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
24. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the stock exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
25. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/ or the Designated Branch and/ or the Registered Broker at the Broker Centres (except in case of electronic forms);
26. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
27. ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;

28. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
29. In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and
30. In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Registered Brokers only;
6. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company or the Registrar to the Issue;
7. Do not Bid on a Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;
8. Anchor Investors should not Bid through the ASBA process;
9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
10. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
12. Do not submit the GIR number instead of the PAN;
13. Do not submit the Bids without the full Bid Amount;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
15. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
16. If you are a QIB, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date for QIBs;
17. If you are a Non-Institutional Investor or Retail Individual Bidders, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;
18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;
19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or

the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

20. Do not submit more than five Bid cum Application Forms per ASBA Account;
21. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
22. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>); and
23. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Payment instructions**

In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS cheques are processed in three CTS centres in separate clearing session will operate twice a week up to October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Issue Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/Issue Closing Date.

### **Payment into Escrow Account for non-ASBA Bidders**

The payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Retail Individual Bidders: “Escrow Account– SEL IPO – R”
- (b) In case of Non-Resident Retail Individual Bidders: “Escrow Account– SEL IPO – NR”

For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “Escrow Account – SEL IPO – Anchor Investor – R”
- (b) In case of Non-Resident Anchor Investors: “Escrow Account – SEL IPO – Anchor Investor – NR”

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in an English national daily newspaper, a Hindi national daily newspaper and a regional newspaper in Marathi, each with wide circulation.

### **Signing of the Underwriting Agreement and the RoC Filing**

Our Company, the BRLMs and the Syndicate Members have entered into an Underwriting Agreement on finalisation of Issue Price. After signing the Underwriting Agreement, our Company shall file this Prospectus with the RoC. This Prospectus has details of the Issue Price, the Anchor Investor Issue Price, if applicable, Issue size and underwriting arrangements and would be complete in all material respects.

## IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

### Undertakings by our Company

**Our Company undertakes the following:**

- That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed shall be undertaken within the timelines specified by law;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- That if our Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid/Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That other than as disclosed in this Prospectus, no further issue of Equity Shares shall be made till final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares offered through the Red Herring Prospectus;
- That adequate arrangements shall be made to collect all Bid-cum-Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment; and
- That we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

The decisions with respect to the Price Band, the minimum Bid lot, the Retail Discount, revision of Price Band and the Issue Price, will be taken by our Company, in consultation with the BRLMs.

### Utilisation of Issue proceeds

Our Company declares that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- Details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- Details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested; and
- Our Company shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.



## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/this Prospectus before investing in the Issue.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”). Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

##### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

### 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

### 2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### 2.5 ISSUE PERIOD

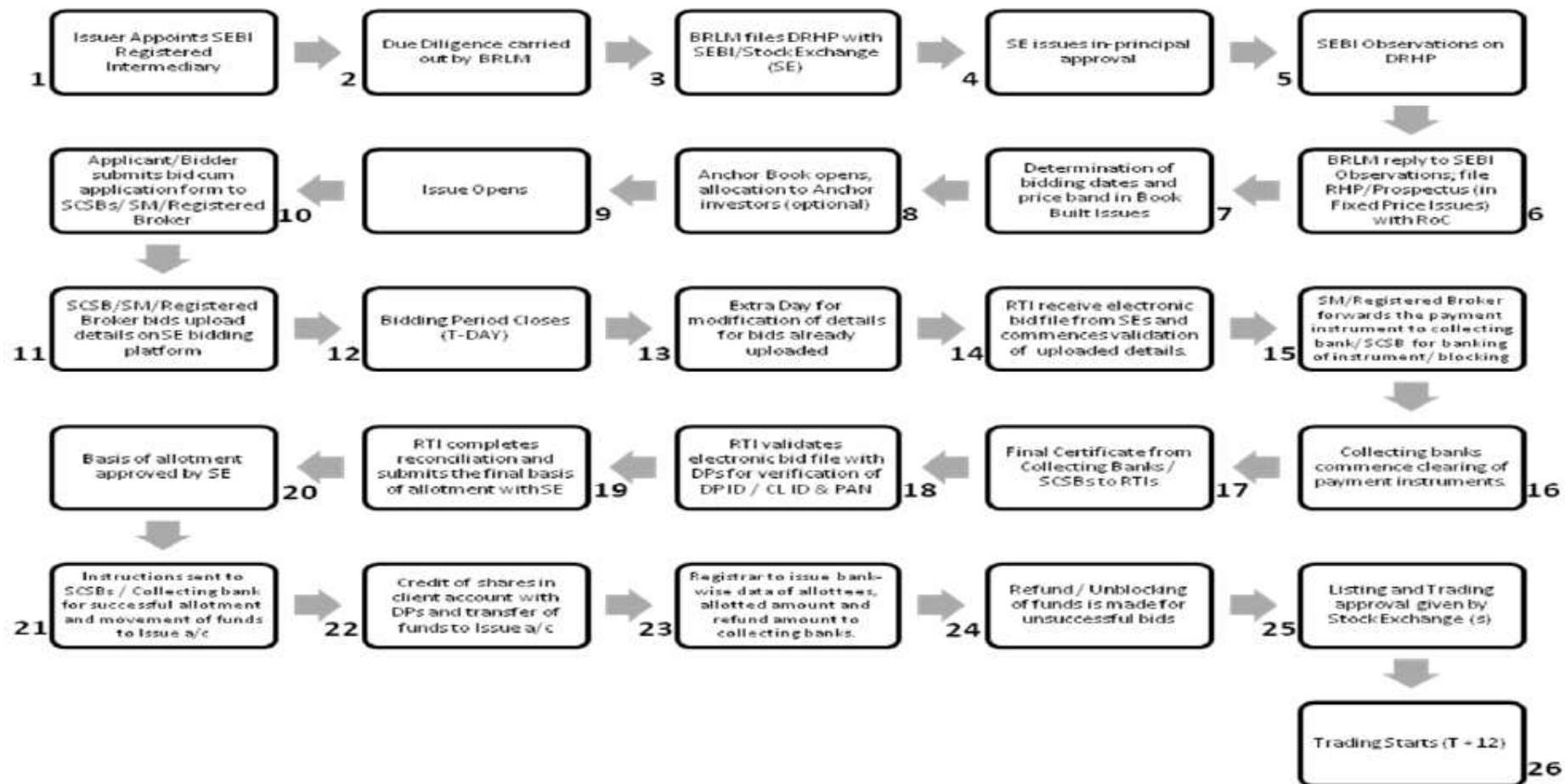
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

### 2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7 : Determination of Issue Date and Price
  - ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
  - iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
  - iv. Step 12: Issue period closes
  - v. Step 15: Not Applicable



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Bidder/Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available

with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, QFIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants bidding/applying in the reserved category	[As specified by the Issuer]

Securities Issued in an IPO of Issue Size of equal to ₹ 10 crores or more can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

#### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

<b>COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA</b>		<b>XYZ LIMITED - PUBLIC ISSUE - R</b>		<b>FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS</b>	
<b>Logo</b> To: The Board of Directors XYZ Limited		BOOK BUILDING ISSUE IN		Bid cum Application Form No.	
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		<b>1. NAME &amp; CONTACT DETAILS of Sole / First Applicant</b> Mr. / Ms.	
ESCROW BANK / SCSEB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Address	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSEB SERIAL NO.		Email	
				Tel. No (with STD code) / Mobile	
				<b>2. PAN OF SOLE / FIRST APPLICANT</b>	
<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b>		<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		<b>6. Investor Status</b>	
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID				<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI <input type="checkbox"/> (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VC <input type="checkbox"/> Others (Please specify) - OTH	
<b>4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")</b>		<b>5. Category</b>			
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)		<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB	
	Bid Price Discount, if any Net Price "Cut-off" (Please tick)				
Option 1					
(OR) Option 2					
(OR) Option 3					
<b>7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)</b>		<b>PAYMENT OPTIONS</b> <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment			
Amount Paid (₹ in figures)		(₹ in words)			
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)		<input type="checkbox"/> (B) ASBA			
Cheque/DD No.		Bank A/c No.			
Dated DD MM YY		Bank Name & Branch			
Drawn on (Bank Name & Branch)					
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVER LEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filing up the Bid Cum Application Form given overleaf.					
<b>IA. SIGNATURE OF SOLE/ FIRST APPLICANT</b>		<b>IB. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)</b> (AS PER BANK RECORDS) (For ASBA option ONLY) I/We authorize the SCSEB to do all acts as are necessary to make the Application in the issue		<b>BROKER'S / SCSEB BRANCH'S STAMP</b> (Acknowledging upload of Bid in Stock Exchange system)	
Date: _____, 2011		1) _____ 2) _____ 3) _____			
TEAR HERE					
<b>XYZ LIMITED</b>		<b>Acknowledgement Slip for Syndicate Member / SCSEB</b>		Bid cum Application Form No.	
DPID / CLID		PAN			
Amount Paid (₹ in figures)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.					
Telephone / Mobile		Email			
TEAR HERE					
<b>XYZ LIMITED</b>	Option 1	Option 2	Option 3	Stamp & Signature of Syndicate Member / SCSEB	
	No. of Equity Shares			Name of Sole / First Applicant	
	Bid Price				
	Amount Paid (₹)				
	Cheque / DD/ASBA Bank A/c No.			Bank & Branch	
				<b>Acknowledgement Slip for Bidder</b>	
				Bid cum Application Form No.	

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - NR		FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS	
<b>Logo</b> To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018		Bid cum Application Form No. _____	
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
ESCROW/BANK / SCSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____ Email _____	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		2. PAN OF SOLE / FIRST APPLICANT	
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				6. Investor Status	
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID				<input type="checkbox"/> NRI Non-Resident Indian (Repatriation basis) <input type="checkbox"/> FII Foreign Institutional Investor <input type="checkbox"/> FVCI Foreign Venture Capital Investor <input type="checkbox"/> FIISA FII Sub Account Corporate / Individual <input type="checkbox"/> OTH Others (Please Specify)	
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")				5. Category	
Bid Options No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)		<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB	
Bid Price Discount, if any Net Price "Cut-off" (Please tick) 7 6 5 4 3 2 1 4 3 2 1 4 3 2 1 4 3 2 1 Option 1 (OR) Option 2 (OR) Option 3					
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)				PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment	
Amount Paid (₹ in figures) _____ (₹ in words) _____ <input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. _____ Dated D / M / Y Drawn on (Bank Name & Branch) _____ <input type="checkbox"/> (B) ASBA Bank A/c No. _____ Bank Name & Branch _____					
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the instructions for Filling up the Bid Cum Application Form given overleaf.					
8A. SIGNATURE OF SOLE/ FIRST APPLICANT		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY)		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date: _____, 2011		I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____			
TEAR HERE					
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No. _____	
DPID / CLID		PAN			
Amount Paid (₹ in figures)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.		Email			
Telephone / Mobile					
TEAR HERE					
XYZ LIMITED		Acknowledgement Slip for Bidder		Bid cum Application Form No. _____	
Option 1 Option 2 Option 3 No. of Equity Shares Bid Price Amount Paid (₹) Cheque / DD/ASBA Bank A/c No. Bank & Branch		Stamp & Signature of Syndicate Member / SCSB Name of Sole / First Applicant			

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in

the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### 4.1.2 **FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.



#### 4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

##### 4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.  
  
In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (b) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least Rs.10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e)).

#### 4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.  
  
Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
  - i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.

- ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### 4.1.5 **FIELD NUMBER 5 : CATEGORY OF BIDDERS**

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### 4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- (c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.
- (d) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

#### 4.1.7.1 Instructions for non-ASBA Bidders:

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.
- (d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- (e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### 4.1.7.2 Payment instructions for ASBA Bidders

- (a) ASBA Bidders may submit the Bid cum Application Form either
  - i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
  - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - iii. in physical mode to a member of the Syndicate at the Specified Locations, or
  - iv. Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

- (g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
- (h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### 4.1.7.2.1 **Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

#### 4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### 4.1.7.4 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- (c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
  - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
  - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
  - v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- (d) The following details (as applicable) should be quoted while making any queries –
  - i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or
  - iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof
  - iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to

revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

- (b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

<b>COMMON BID REVISION FORM FOR ASBA / NON-ASBA</b>		<b>XYZ LIMITED - PUBLIC ISSUE - R</b>		<b>FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS</b>	
Logo		To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523LO1018	
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
ESOP/BANK / SCSS/BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____ Tef. No (with STD code) / Mobile _____	
BANK BRANCH SERIAL NO.		REGISTRARS / SCSS SERIAL NO.		2. PAN OF SOLE / FIRST APPLICANT _____	
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	
PLEASE CHANGE MY BID					
4. FROM (as per last Bid or Revision)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	
		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Please tick)	
Option 1					
(OR) Option 2					
(OR) Option 3					
5. TO (Revised Bid)					
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)	
		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Please tick)	
Option 1					
(OR) Option 2					
(OR) Option 3					
6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment					
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____					
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. _____ Dated DD/MM/YYYY Drawn on (Bank Name & Branch) _____			<input type="checkbox"/> (B) ASBA Bank A/c No. _____ Bank Name & Branch _____		
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORMULARY AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVER LEAF 1/11a (on behalf of joint applicants, if any) and hereby confirm that I/We have read the instructions for filling up the Bid revision form given below.					
7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY) (We authorize the SCSS to do all acts as are necessary to make the Application to the Issue)		BROKER'S / SCSS BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date: _____, 2011					
TEAR HERE					
<b>XYZ LIMITED BID REVISION FORM</b>		<b>Acknowledgement Slip for Syndicate Member / SCSS</b>		Bid cum Application Form No. _____	
DPID / CLID		PAN			
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.					
Telephone / Mobile		Email			
TEAR HERE					
<b>XYZ LIMITED BID REVISION FORM</b>		<b>Acknowledgement of Syndicate Member / SCSS</b>		Name of Sole / First Applicant	
No. of Equity Shares		Option 1 Option 2 Option 3			
Bid Price					
Additional Amount Paid (₹)					
Cheque / DD/ASBA Bank A/c No.					
Bank & Branch					
				<b>Acknowledgement Slip for Bidder</b>	
				Bid cum Application Form No. _____	

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### 4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.



#### 4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

#### 4.2.3 **FIELD 6: PAYMENT DETAILS**

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- (e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders,

who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

#### 4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### 4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

##### 4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

##### 4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed Rs. 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
  - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

#### 4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### 4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

##### 4.3.5.1 **Instructions for non-ASBA Applicants:**

- (a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- (b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).
- (c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.
- (d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- (f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

##### 4.3.5.2 **Payment instructions for ASBA Applicants**

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.

- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.3.5.3 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

#### 4.3.5.4 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### 4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 **SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM**

##### 4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

<b>Mode of Application</b>	<b>Submission of Bid cum Application Form</b>
Non-ASBA Application	1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form 2) To Registered Brokers
ASBA Application	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres (b) To the Designated branches of the SCSBs where the ASBA Account is maintained

- (a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- (b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- (c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

### **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

#### 5.1 **SUBMISSION OF BIDS**

- (a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- (c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.

- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

## **5.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

## **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

## **5.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
  - i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
  - ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
  - iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
  - iv. With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

#### 5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs; and
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (p) Bids/Applications for a Bid/Application Amount of more than Rs. 200,000 by RIIs by applying through non-ASBA process;
- (q) Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares which are not in multiples as specified in the RHP;

- (r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- (w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- (y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

*Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 20 to Rs. 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%



The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“Alternate Book Building Process”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 ALLOTMENT TO RIIs**

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“Maximum RII Allottees”). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

## **7.2 ALLOTMENT TO NIIs**

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

## **7.3 ALLOTMENT TO QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

## **7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:
  - i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to Rs.10 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs.10 crores and up to Rs.250 crores subject to minimum allotment of Rs.5 crores per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than Rs.250 crores subject to minimum allotment of Rs.5 crores per such Anchor Investor.

- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

## 7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity

### **Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than Rs.5 lakhs but which may extend to Rs.50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs.50,000 but which may extend to Rs.3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be liable to repay the money, with interest at the rate of 15% per annum.

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

#### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI ICDR Regulations, 2009 but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

### 8.3 MODE OF REFUND

- (a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.
- (c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay.
- (d) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

#### 8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS**—Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

### 8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date

<b>Term</b>	<b>Description</b>
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	The Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 1956	The Companies Act, 1956, as amended.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details

<b>Term</b>	<b>Description</b>
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer



<b>Term</b>	<b>Description</b>
Notified Sections	The sections of the Companies Act, 2013 that were notified on September 12, 2013, February 27, 2014 and March 26, 2014.
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs.200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs, QFIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least two working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, 1956 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Foreign Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement

<b>Term</b>	<b>Description</b>
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than Rs.200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than Rs.200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

## SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule I of the Companies Act, 2013, and the SEBI Regulations, the main provisions of our Articles relating to, inter alia, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles.

No regulation contained in Table “F” in Schedule I to the Companies Act, 2013 applies to our Company but the regulations for the management of our Company and for the observance of the members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act and subject to any exercise of the statutory powers of our Company with reference to the repeal or alteration of or addition to its regulations by special resolution as prescribed by the Companies Act as are contained in the Articles unless the same are repugnant or contrary to the provisions of the Companies Act.

Capitalized/defined terms herein have the same meaning given to them in our Articles.

Article Number	Title of Article	Content
3	Shares under control of Board	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.  That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in the general meetings.
4	Directors may allot shares otherwise than for cash.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
5	Kinds of Share Capital	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: a. Equity share capital: i. with voting rights; and / or ii. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and b. Preference share capital
10 (1)	Power to pay commission in connection with securities issued	The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.
10 (2)	Rate of commission in accordance with Rules.	The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
10 (3)	Mode of payment of commission	The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
11 (1)	Variation of members' rights	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
11 (2)	Provisions as to general meetings to apply mutatis mutandis to each meeting.	To every such separate meeting, the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply.
12	Issue of further shares	The rights conferred upon the holders of the shares of any class issued with

Article Number	Title of Article	Content
	not to affect rights of existing members	preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.
13	Power to issue redeemable preference shares.	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
14 (1)	Further issue of share capital	The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to - <ul style="list-style-type: none"> <li>a. persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or</li> <li>b. employees under any scheme of employees' stock option; or</li> <li>c. any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.</li> </ul>
14 (2)	Mode of further issue of shares	A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.
15	Company not bound to recognize any interest in Shares other than of registered holder	Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
57	Power to alter share capital by Sub-division, consolidation, conversion and cancellation of Shares	Subject to the provisions of the Act, the Company may, by ordinary resolution - <ul style="list-style-type: none"> <li>a. increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;</li> <li>b. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;</li> <li>c. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>d. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>e. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</li> </ul>
59	Reduction of capital	The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — <ul style="list-style-type: none"> <li>a. its share capital; and/or</li> <li>b. any capital redemption reserve account; and/or</li> <li>c. any securities premium account; and/or</li> <li>d. any other reserve in the nature of share capital.</li> </ul>
63	Buy-back of shares	Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

## SHARE CERTIFICATES

Article Number	Title of Article	Content
6 (1)	Issue of certificate	Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide - <ul style="list-style-type: none"> <li>a. one certificate for all his shares without payment of any charges; or</li> </ul>

Article Number	Title of Article	Content
		b. several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
6 (2)	Certificate to bear seal	Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
6 (3)	One certificate for shares held jointly	In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
8	Issue of new certificate in place of one defaced, lost or destroyed	<p>If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board, subject to the provisions of the Act.</p> <p>Provided that the Company shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p>
9	Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.	The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

## CALLS

Article Number	Title of Article	Content
22 (1)	Board may make calls	The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
22 (2)	Board may make calls	Each member shall, subject to receiving at least fourteen Notice of call days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
22 (3)	Board may extend time for payment	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
22 (4)	Revocation or postponement of call	A call may be revoked or postponed at the discretion of the Board.
23	Call to take effect from date of resolution	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
24	Liability of joint holders of shares	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
25 (1)	When interest on call or instalment payable	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
25 (2)	Board may waive interest	The Board shall be at liberty to waive payment of any such interest wholly or in part.
26 (1)	Sums deemed to be calls	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
26 (2)	Effect of non-payment of sums	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall

Article Number	Title of Article	Content
		apply as if such sum had become payable by virtue of a call duly made and notified.
27	Payment in anticipation of calls may carry interest	<p>The Board -</p> <p>a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>b. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.</p>
28	Instalments on shares to be duly paid	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
29	Calls on shares of same class to be on uniform basis	<p>All calls shall be made on a uniform basis on all shares falling under the same class.</p> <p>Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.</p>
30	Partial payment not to preclude forfeiture	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
31	Provisions as to calls to apply mutatis mutandis to debentures, etc.	The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

## LIEN

Article Number	Title of Article	Content
16	Company's lien on shares	<p>The Company shall have first and paramount lien upon all the Shares (other than fully paid up Shares) registered in the name of such Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares and no equitable interest in any Share shall be created except on the condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares; Unless otherwise agreed the registration of a transfer of Shares shall operate as a waiver of the Company's lien if any, on such Shares. The Directors may at any time declare any Shares wholly or in part to be exempt from the provisions of this Article.</p> <p>Provided that fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.</p>
17 (1)	As to enforcing lien by sale	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>b. until the expiration of fourteen days after a notice in writing stating</p>

Article Number	Title of Article	Content
		and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
18 (1)	Validity of sale	To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
18 (2)	Purchaser to be registered holder	The purchaser shall be registered as the holder of the shares comprised in any such transfer.
18 (3)	Validity of Company's receipt	The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
18 (4)	Purchaser not affected	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.
19 (1)	Application of proceeds of sale	The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
19 (2)	Payment of residual money	The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
20	Outsider's lien not to affect Company's lien	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
21	Provisions as to lien to apply mutatis mutandis to debentures, etc.	The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

## FORFEITURE AND SURRENDER OF SHARES

Article Number	Title of Article	Content
43	If call or instalment not paid notice must be given	If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
44	Form of notice	The notice aforesaid shall: <ul style="list-style-type: none"> <li>a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</li> <li>b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</li> </ul>
45	In default of payment of shares to be forfeited	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
46	Receipt of part amount or grant of indulgence not to	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of

Article Number	Title of Article	Content
	affect forfeiture	any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
47	Entry of forfeiture in register of members	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
48	Effect of forfeiture	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
49 (1)	Forfeited shares may be sold, etc.	A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.
49 (2)	Cancellation of forfeiture	At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
50 (1)	Members still liable to pay money owing at the time of forfeiture	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
50 (2)	Member still liable to pay money owing at time of forfeiture and interest	All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
50 (3)	Cesser of liability	The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
51 (1)	Certificate of forfeiture	A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
51 (2)	Title of purchaser and transferee of forfeited shares	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
51 (3)	Transferee to be registered as holder	The transferee shall thereupon be registered as the holder of the share; and
51 (4)	Transferee not affected	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
52	Validity of sales	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
53	Cancellation of share certificate in respect of forfeited shares	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
54	Surrender of share certificates	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such



Article Number	Title of Article	Content
		terms as they think fit.
55	Sums deemed to be calls	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
56	Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc.	The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

## TRANSFER AND TRANSMISSION OF SHARES

Article Number	Title of Article	Content
32	Instrument of transfer to be executed by transferor and transferee	(1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.  (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
33	Board may refuse to register transfer	(1) Save as otherwise expressly provided in the Act or Rules, the Board may, subject to the right of appeal conferred by the Act, decline to register – a. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or b. any transfer of shares on which the Company has a lien.  Provided that Registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever.
34	Board may decline to recognise instrument of transfer	In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless – a. the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act; b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and c. the instrument of transfer is in respect of only one class of shares.
35	Transfer of shares when suspended	On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:  Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
36	Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.	The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.
37 (1)	Title to shares on death of a member	On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
37 (2)	Estate of deceased member liable	Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
38 (1)	Transmission Clause	Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as

Article Number	Title of Article	Content
		hereinafter provided, elect, either –  a. to be registered himself as holder of the share; or  b. to make such transfer of the share as the deceased or insolvent member could have made.
38 (2)	Board's right unaffected	The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
38 (3)	Indemnity to the Company	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
39 (1)	Right to election of holder of share	If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
39 (2)	Manner of testifying election	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
39 (3)	Limitations applicable to notice	All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
40	Claimant to be entitled to same advantage	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:  Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
41	No fee on transfer or transmissions	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.
42	Provisions as to transmission to apply mutatis mutandis to debentures, etc.	The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

## DEMATERIALISATION

Article Number	Title of Article	Content
7	Option to receive share certificate or hold shares with depository	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

## JOINT HOLDER

Article Number	Title of Article	Content
60	Joint-holders	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
60 (a)	Liability of Joint-holders	The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to

Article Number	Title of Article	Content
		be made in respect of such share.
60 (b)	Death of one or more joint-holders	On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
60 (c)	Receipt of one sufficient	Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
60 (d)	Delivery of certificate and giving of notice to first named holder	Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
60 (e)	Vote of joint-holders	(i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.
60 (e)	Executors or administrators as joint holders	(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
60 (f)	Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc.	The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names.

## CONVERSION OF SHARES INTO STOCK

Article Number	Title of Article	Content
58	Shares may be converted into stock	Where shares are converted into stock: <ul style="list-style-type: none"> <li>a. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</li> <li>b. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;</li> </ul>
58	Right of stockholders	<ul style="list-style-type: none"> <li>c. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;</li> <li>d. such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.</li> </ul>

## MEETINGS

Article Number	Title of Article	Content
64	Extraordinary general meeting	All general meetings other than annual general meeting shall be called extraordinary general meeting.
65	Powers of Board to call extraordinary general meeting	The Board may, whenever it thinks fit, call an extraordinary general meeting.
66 (1)	Presence of Quorum	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
66 (2)	Business confined to election of Chairperson whilst chair vacant	No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
66 (3)	Quorum for general meeting	The quorum for a general meeting shall be as provided in the Act.
67	Chairperson of the meetings	The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
68	Directors to elect a Chairperson	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
69	Members to elect a Chairperson	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.
70	Casting vote of Chairperson at general meeting	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
71 (1)	Minutes of proceedings of meetings and resolutions passed by postal ballot	The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
71 (2)	Certain matters not to be included in Minutes	There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting – (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.
71 (3)	Discretion of Chairperson in relation to Minutes	The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
71 (4)	Minutes to be evidence	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
72 (1)	Inspection of minute books of general meeting	The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: a. be kept at the registered office of the Company; and b. be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.
72 (2)	Members may obtain copy of minutes	Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above, Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
73	Powers to arrange security at meetings	The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security

Article Number	Title of Article	Content
		of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.
74 (1)	Chairperson may adjourn the meeting	The Chairperson may, suo motu, adjourn the meeting from time to time and from place to place.
74 (2)	Business at adjourned meeting	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
74 (3)	Notice of adjourned meeting	When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
74 (4)	Notice of adjourned meeting not required	Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting

## VOTES OF MEMBERS

Article Number	Title of Article	Content
75	Entitlement to vote on show of hands and on poll	Subject to any rights or restrictions for the time being attached to any class or classes of shares - a. on a show of hands, every member present in person shall have one vote; and b. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
76	Voting through electronic means	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
77 (1)	Vote of joint-holders	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
77 (2)	Seniority of names	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
78	How members non compos mentis and minor may vote	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
79	Votes in respect of shares of deceased or insolvent members, etc.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
80	Business may proceed pending poll	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
81	Restriction on voting rights	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
82 (1)	Restriction on exercise of voting rights in other cases to be void	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
82 (2)	No objection to qualification of Voter	(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.  (ii) Any such objection made in due time shall be referred to the

Article Number	Title of Article	Content
		Chairperson of the meeting, whose decision shall be final and conclusive.
83	Equal rights of members	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.
84 (1)	Member may vote in person or otherwise	Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
84 (2)	Proxies when to be deposited	The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
85	Form of proxy	An instrument appointing a proxy shall be in the form as prescribed in the Rules.
86	Proxy to be valid notwithstanding death of the principal	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>

## DIRECTORS

Article Number	Title of Article	Content
87	First Directors of the Company	The first Directors of the Company shall be: Mr. ATUL MARU, and Mr. RAMAN MAROO
88	Board of Directors	Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 14 (fourteen).
89 (1)	Directors not liable to retire by rotation	Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.
89 (2)	Same individual may be Chairperson and Managing Director / Chief Executive Officer	The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company
90 (1)	Remuneration of directors	The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
90 (2)	Remuneration to require members' consent	The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.
90 (3)	Travelling and other expenses	<p>In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or</p> <p>b. in connection with the business of the Company.</p>
91	Execution of negotiable instruments	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
92 (1)	Appointment of	Subject to the provisions of the Act, the Board shall have power at any

Article Number	Title of Article	Content
	additional directors	time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
92 (2)	Duration of office of additional director	Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
93 (1)	Appointment of alternate director	The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
93 (2)	Duration of office of alternate director	An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
93 (3)	Re-appointment provisions applicable to Original Director	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
94 (1)	Appointment of director to fill a casual vacancy	If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
94 (2)	Duration of office of Director appointed to fill casual vacancy	The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated
95	General powers of the Company vested in Board	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
96 (1)	When meeting to be convened	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
96 (2)	Who may summon Board meeting	A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board
96 (3)	Quorum for Board meetings	The quorum for a Board meeting shall be as provided in the Act.
96 (4)	Participation at Board meetings	The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
97 (1)	Questions at Board meeting how decided	Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
97 (2)	Casting vote of Chairperson at Board meeting	In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
98	Directors not to act when number falls below minimum	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

Article Number	Title of Article	Content
99 (1)	Who to preside at meetings of the Board	The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
99 (2)	Directors to elect a Chairperson	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
100 (1)	Delegation of powers	The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
100 (2)	Committee to conform to Board regulations	Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
100 (3)	Participation at Committee meetings	The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
101 (1)	Chairperson of Committee	A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
101 (2)	Who to preside at meetings of Committee	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
102 (1)	Committee to meet	A Committee may meet and adjourn as it thinks fit.
102 (2)	Questions at Committee meeting how decided	Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
102 (3)	Casting vote of Chairperson at Committee meeting	In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
103	Signing of attendance book by the directors.	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
104	Acts of Board or Committee valid notwithstanding defect of appointment	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
105	Passing resolution of by circulation	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.
106	Bonds, Debentures, etc. to be subject to control of Directors	Save as otherwise expressly provided in the Act or Rules, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.
107	Terms of issue of Debentures	Save as otherwise expressly provided in the Act or Rules, any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution.



## DIVIDENDS

Article Number	Title of Article	Content
112	Company in general meeting may declare dividends	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
113	Interim dividends	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
114 (1)	Dividends only to be paid out of profits	The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
114 (2)	Carry forward of profits	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
115 (1)	Division of profits	Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
115 (2)	Payments in advance	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
115 (3)	Dividends to be apportioned	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
116 (1)	No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
116 (2)	Retention of dividends	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
117 (1)	Dividend how remitted	Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
117 (2)	Instrument of payment	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
117 (3)	Discharge to Company	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
118	Notice of dividend declaration	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
119	Receipt of one holder sufficient	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
120 (1)	No interest on dividends	No dividend shall bear interest against the Company.

Article Number	Title of Article	Content
120 (2)	Unpaid or unclaimed dividend	<p>a. Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, to any shareholder entitled to the payment of the dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted to an account to be opened by the Company in that behalf with any scheduled bank called “_____” unpaid dividend account.</p> <p>b. Company shall, within a period of Ninety days of making any transfer of an amount under sub-clause a. of this Article, prepare a statement containing names, last known addresses and the unpaid dividend to be paid to each person and upload the said statement on the website of the Company along with on any other websites approved by the relevant statutory authority in this behalf in such form and manner as may be prescribed.</p> <p>c. If any default is made in transferring the total amount or any part thereof, referred to in sub-clause a. of this Article, to the Unpaid Dividend Account of the company, the Company shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall enure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.</p> <p>d. Any person claiming to be entitled to any money transferred to the Unpaid Dividend Account of the company referred to in sub-clause a. of this Article may apply to the company for payment of the money claimed.</p> <p>e. Any money transferred to the unpaid dividend account of a company, referred to in sub-clause a. of this Article, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company along with dividend which remains unpaid / unclaimed to the fund known as “Investor Education and Protection Fund” established under the provisions of section 125 of the Act and send a statement in the prescribed form to the prescribed Authority which administer the said fund. Claim to any money so transferred may be preferred to the Central Government by the shareholders to whom the money is due.</p> <p>f. All shares, in respect of which unpaid or unclaimed dividend has been transferred referred to in sub-clause a. of this Article, shall also be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed.</p> <p>Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.</p> <p>g. That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law and the Company shall comply with all the provisions of the Act in respect of unpaid or unclaimed dividend.</p>
121	Waiver of dividends	<p>The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted</p>

Article Number	Title of Article	Content
		upon by the Board.

## CAPITALISATION OF PROFITS AND ACCOUNTS

Article Number	Title of Article	Content
61	Capitalisation	(1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve — a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and b. that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
61	Sum how applied	(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards : a. paying up any amounts for the time being unpaid on any shares held by such members respectively; b. paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b). (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
62 (1)	Powers of the Board for capitalisation	Whenever such a resolution as aforesaid shall have been passed, the Board shall – a. make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and b. generally do all acts and things required to give effect thereto.
62 (2)	Board's power to issue fractional certificate/coupon etc.	The Board shall have power— a. to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
62 (3)	Agreement binding on members	Any agreement made on such members under such authority shall be effective and binding.
122 (1)	Inspection by Directors	The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.
122 (2)	Restriction on inspection by members	No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

Article Number	Title of Article	Content
108 (a)	Chief Executive Officer, etc.	Subject to the provisions of the Act,— A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
108 (b)	Director may be chief executive officer, etc.	A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
108 (c)	Acts done in a dual capacity	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

**REGISTERS AND SEAL**

Article Number	Title of Article	Content
109	Statutory registers	The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
110	Foreign register	<ol style="list-style-type: none"> <li>The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.</li> <li>The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.</li> </ol>
111 (1)	The seal, its custody and use	The Board shall provide for the safe custody of the seal.
111 (2)	Affixation of seal	The seal of the Company shall not be affixed to any Affixation of seal instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

**WINDING UP**

Article Number	Title of Article	Content
123	Winding up of Company	<p>Subject to the applicable provisions of the Act and the Rules made thereunder –</p> <ol style="list-style-type: none"> <li>If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.</li> </ol>

Article Number	Title of Article	Content
		<p>b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>

## INDEMNITY AND INSURANCE

Article Number	Title of Article	Content
124 (a)	Directors and officers right to indemnity	<p>Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.</p> <p>Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.</p>
124 (b)	Insurance	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

## GENERAL POWERS

Article Number	Title of Article	Content
125	General power	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

## **SECTION IX – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of this Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

#### ***Material Contracts to the Issue***

1. Letters of appointment to the Book Running Lead Managers from our Company appointing them as the Book Running Lead Managers.
2. Issue Agreement between our Company and the Book Running Lead Managers dated July 4, 2013.
3. Agreement between our Company and the Registrar to the Issue dated June 5, 2013.
4. Escrow Agreement dated September 2, 2014 amongst our Company and the Book Running Lead Managers, the Escrow Collection Banks and the Registrar to the Issue.
5. Syndicate Agreement dated September 2, 2014 amongst our Company, the Book Running Lead Managers and the Syndicate Members.
6. Underwriting Agreement dated September 23, 2014 amongst our Company, the Book Running Lead Managers and the Syndicate Members.
7. Agreement dated July 20, 2011 between NSDL, our Company and the Registrar to the Issue.
8. Agreement dated July 7, 2011 between CDSL, our Company and the Registrar to the Issue.

#### ***Material Documents***

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certification of incorporation.
3. Resolution of the Board of Directors dated February 23, 2013 authorising the Issue, subject to the approval of the shareholders of our Company, and such other authorities as may be necessary.
4. Resolution of the shareholders of our Company dated April 11, 2013, under Section 81(1A) of the Companies Act, 1956, authorising the Issue.
5. The examination reports of the Auditor on our Company's restated financial statements, included in this Prospectus.
6. Statement of Tax Benefits from M/s M.K. Dandeker & Co., Chartered Accountants dated August 26, 2014.
7. Copies of annual reports of our Company for Fiscal 2010, 2011, 2012, 2013 and 2014.
8. Consent of the Auditor for inclusion of their reports on the audited and restated standalone and consolidated financial statements and the report on the audited and restated standalone and consolidated financial statements as of and for the fiscal years ended March 31, 2010, 2011, 2012, 2013 and 2014 in the form and context in which they appear in this Prospectus.
9. Certificate from the Auditor certifying that the Equity Shares issued to our Promoters pursuant to the bonus issues dated March 26, 2011 and August 29, 2011 are eligible for Promoters' contribution under Regulation 32 of the SEBI Regulations.
10. Consents of Bankers to our Company, Book Running Lead Managers, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), Legal Counsel to the Issue, Directors of our Company, Advisor to our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

11. In-principle approvals dated September 18, 2013 and September 11, 2013 received from the NSE and the BSE, respectively.
12. Due diligence certificate dated July 5, 2013 to SEBI from the Book Running Lead Managers.
13. Letter No. CFD/DIL-II/AKD/AEA/OW/5651/2014 dated February 21, 2014, issued by SEBI in connection with the Issue.
14. Share subscription, share purchase and shareholder's agreement dated October 30, 2010 between Mr. Rajiv K. Sanghvi, Ms. Deepal R. Sanghvi, Ms. Alpa Kalpesh Patel, Mr. Pankaj Nandlal Vyas, Mr. Prayag Ashok Trivedi, Mr. Kalpesh Mansukhbhai Dhaduk and Mr. Darshit Kishor Jobaliya and Shemaroo Entertainment Private Limited and Vistaas Digital Media Limited.
15. Scheme of Arrangement in connection with the de-merger for the transfer and demerger of the whole entertainment business of the erstwhile Shemaroo Entertainment Private Limited to the erstwhile Shemaroo Holdings Private Limited under section 391-394 of the Companies Act, 1956, approved by the High Court of Bombay, by its order dated March 7, 2008.
16. Agreement dated January 25, 2011 between our Company and Mr. Raman Maroo, in respect of his appointment as managing director.
17. Agreement dated January 25, 2011 between our Company and Mr. Atul Maru in respect of his appointment as joint managing director.
18. Agreement dated January 25, 2011 between our Company and Mr. Hiren Gada in respect of his appointment as the whole-time director.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

All the relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as amended, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, as amended or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the disclosures and statements in this Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

<b>Mr. BUDDHICHAND MAROO</b>	
<b>Mr. RAMAN MAROO</b>	
<b>Mr. ATUL MARU</b>	
<b>Mr. HIREN GADA</b>	
<b>Mr. JAI MAROO</b>	
<b>Mr. JAYESH PAREKH</b>	
<b>Mr. GNANESH GALA</b>	
<b>Mr. VASANJI MAMANIA</b>	
<b>Mr. KIRIT GALA</b>	
<b>Mr. SHASHIDHAR SINHA</b>	

Date: September 23, 2014  
Place: Mumbai

### SIGNED BY THE WHOLETIME DIRECTOR & CHIEF FINANCIAL OFFICER IN HIS CAPACITY AS THE FINANCE HEAD OF OUR COMPANY

<b>Mr. HIREN GADA</b>	
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Date: September 23, 2014  
Place: Mumbai