

Independent Auditor's Report

**To the Board of Directors
Copsale Limited**

Opinion

We have audited the accompanying Ind AS financial statements of **Copsale Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 ("the Act"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive loss, its cash flows and the statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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



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

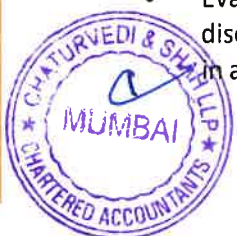
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 (i) to the Financial Statements, which describes the basis of accounting. These Ind AS Financial Statements have been prepared by the management for the specific purpose of submission to Eros International Media Limited for the purpose of the consolidation. As a result, Ind AS Financial Statements may not be suitable for any other purpose any other person. Our report on this Ind AS Financial Statement is not to be distributed or used for the purpose other than specified above.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No. 101720W/W100355



Amit Chaturvedi
Partner
Membership No. 103141
UDIN:- 20103141AAAPE6695



Place- Mumbai
Date: 29th July, 2020

Copsale Limited
Balance Sheet as at 31 March 2020

Amount ₹ in Lakhs

	Notes	As at 31 March 2020	As at 31 March 2019
Assets:			
Non-current assets			
Intangible assets			
Content advances	4	-	19,375
Film rights	4	14,651	19,560
Financial assets			
Loans	5	75,887	42,796
Total non-current assets		90,538	81,731
Current assets			
Financial assets			
Trade receivables	6	593	11,205
Cash and bank balances	7	1	7,055
Other financial assets	8	-	67
Total current assets		594	18,327
Total assets		91,132	100,058
Equity and liabilities:			
Equity			
Equity share capital	9	45	45
Other equity	10	99,544	99,987
Total equity		99,589	100,032
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	11	535	18
Other current liabilities	12	8	8
Total current liabilities		543	26
Total equity and liabilities		91,132	100,058

Notes 1 to 28 form an integral part of these financial statements

As per our report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No.: 101720W/W100355



Amit Chaturvedi
Partner
Membership No: 103141
Place: Mumbai
Date: 29 July 2020



For and on behalf of the Board of Directors



Surender Sadhwani
Director

Place: Dubai
Date: 29 July 2020



Copsale Limited**Statement of Profit and Loss for the year ended 31 March 2020**

Amount ₹ in Lakhs

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	13	4,535	16,400
Other income	14	6,351	6,542
Total revenue		10,886	22,942
Expenses			
Film right costs including amortisation costs	15	3,111	6,169
Other expenses	16	1,541	25
Total expenses		4,652	6,194
Profit before exceptional items and tax		6,234	16,748
Exceptional Items			
Impairment of content advance	17	19,798	-
Impairment of film rights	17	3,563	-
		23,361	-
(Loss)/profit before tax		(17,127)	16,748
Tax expense		-	-
(Loss)/profit after tax for the year		(17,127)	16,748
Other comprehensive income			
Fair value loss on trade account receivable (FVTOCI)		(56)	5,074
Exchange difference on translating foreign operation		7,740	5,074
Total comprehensive income for the year		(9,443)	26,896

Earnings per equity share (EPS):

-Basic EPS (₹)	18	(8,993)	15,950
-Diluted EPS (₹)	18	(8,993)	15,950

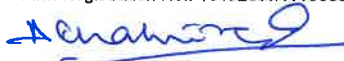
Notes 1 to 28 form an integral part of these financial statements

As per our report of even date

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No.: 101720W/W100355


Amit Chaturvedi

Partner

Membership No: 103141

Place: Mumbai

Date: 29 July 2020



For and on behalf of the Board of Directors


Surender Sadhwani

Director

Place: Dubai

Date: 29 July 2020



Copsale Limited

Statement of Changes in Equity for the year ended 31 March 2020

Amount ₹ in Lakhs

A. Equity share capital

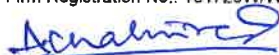
Particulars	Number	Amount
Balance as at 1 April 2018	105,000	45
Changes in equity share capital during the year	-	-
Balance as at 31 March 2019	105,000	45
Changes in equity share capital during the year	-	-
Balance as at 31 March 2020	105,000	45

B. Other equity

Particulars	Retained earnings	Foreign currency translation reserve	Other comprehensive income	Total
Balance as at 1 April 2018	72,434	5,731	-	78,165
Effect of foreign exchange rate variations during the year	-	5,074	-	5,074
Profit for the year	16,748	-	-	16,748
Other comprehensive income for the year	-	-	-	-
Balance as at 31 March 2019	89,182	10,805	-	99,987
Effect of foreign exchange rate variations during the year	-	7,740	-	7,740
Profit for the year	(17,127)	-	-	(17,127)
Other comprehensive income for the year	-	-	(56)	(56)
Balance as at 31 March 2020	72,055	18,545	(56)	90,544

Notes 1 to 28 form an integral part of these financial statements

As per our report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No.: 101720WV100355



Amit Chaturvedi
Partner
Membership No: 103141
Place: Mumbai
Date: 29 July 2020

For and on behalf of the Board of Directors



Surender Sadhwani
Director

Place: Dubai
Date: 29 July 2020



Copsale Limited
Statement of cash flow for the year ended 31 March 2020

Amount ₹ in Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit before tax	(17,127)	16,748
Adjustments for non-cash transactions:		
Amortisation expenses	3,111	3,150
Interest income on fixed deposits	(106)	(115)
Unwinding of interest on expected credit loss	(1,050)	(1,081)
Provision (written back)/written off for expected credit loss	(1,477)	(5,346)
Interest income	(3,718)	-
Purchase of film rights against content advance	-	695
Impairment loss on content advance	19,798	-
Impairment loss on film rights	3,563	-
Trade receivable written off	1,536	-
Foreign exchange loss/(gain) (*)	0	0
Operating profit before working capital changes	4,530	14,051
Movements in working capital:		
Decrease/(increase) in loans	(12,224)	1,549
(Decrease) in trade payables	4	(2)
(Decrease) in other current liabilities	-	(1,622)
(Increase) in trade receivables	248	(14,281)
Cash generated from operations	(7,442)	(305)
Taxes paid	-	-
Net cash generated from operating activities	(7,442)	(305)
Cash flow from investing activities		
Deposits with banks under "other bank balances"	7,208	45
Purchase of intangible film rights(*)	0	-
Interest received	176	53
Net cash used from investing activities	7,384	98
Net decrease in cash and cash equivalents(*)	(58)	(207)
Cash and cash equivalents at the beginning of the year	1	1
Effect of exchange rate	58	207
Cash and cash equivalents at the ending of the year (*)	1	1

(*) Amount represent less than ₹ one lakh

Change in liability arising from financing activities :-

	Amount ₹ in Lakhs	Amount ₹ in Lakhs
Opening financial liability	Nil	Nil
Cash Flows during the year	Nil	Nil
Closing financial liability	Nil	Nil

Notes 1 to 28 form an integral part of these financial statements

As per our report of even date

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No.: 101720WVW100355



Amit Chaturvedi

Partner

Membership No: 103141

Place: Mumbai

Date: 29 July 2020



For and on behalf of the Board of Directors



Surender Sadhwani

Director

Place: Dubai

Date: 29 July 2020



Copsale Limited
Summary of significant accounting policies and other explanatory information

Significant accounting policies and other explanatory information

Note 1: Nature of Operations

Copsale Limited (the 'Company') is domiciled in British Virgin Islands. The Company's registered office is at Ansbacher (BVI) Ltd, P.O. box 659, Road Town, British Virgin Islands.

The principle activities of the Company are related to purchase and sale of film rights. There have been no significant changes in the nature of these activities during the current financial year.

Note 2: General information and statement of compliance with Ind AS

(i) Basis of preparation

The financial statements are prepared in accordance with the Indian accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. The Company considers 12 months to be its normal operating cycle.

All values are rounded to the nearest rupees in lakhs, except where otherwise indicated.

(ii) Historical cost convention

The financial statements have been prepared on accrual basis of accounting using historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value;

Note 3: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Revenue recognition

- Sale of film rights: Sale of film/serial rights is recognized on effective delivery of materials to customers as per terms of the sale agreements.
- Interest income: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

b. Intangible assets

Intangible assets acquired by the Company are stated at cost less accumulated amortisation less impairment loss, if any, (film production cost and content advances are transferred to film and content rights at the point at which content is first exploited).

The film content that is acquired by the company after its initial exploitation, commonly referred to as Library, is amortised evenly over the lesser of 10 years or the license period. The amortisation charge is recognized in the Statement of profit and loss. The determination of useful life is based upon management's judgment and includes assumptions on the timing and future estimated revenues to be generated by these assets, which are summarized in note 4.

c. Impairment of non-financial assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at the cash generating unit level. All individual assets or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.



Copsale Limited

Summary of significant accounting policies and other explanatory information

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external or internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'value in use'.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Film and content rights are stated at the lower of unamortized cost and estimated recoverable amounts. In accordance with Ind AS 36 'Impairment of assets', film content costs are assessed for indication of impairment on a library basis as the nature of the Company's business, the contracts it has in place and the markets it operates in do not yet make an ongoing individual film evaluation feasible with reasonable certainty. Impairment losses on content advances are recognized when film production does not seem viable and refund of the advance is not probable.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist.

d. Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on risk exposure arising from financial assets like trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the ECL's resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL's impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the Statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.



Copsale Limited
Summary of significant accounting policies and other explanatory information

e. Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

f. Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR) and Company's functional currency is USD.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

g. Earnings per share

Basic earnings per share is computed using the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is computed by considering the impact of the potential issuance of ordinary shares, on the weighted average number of shares outstanding during the period except where the results would be antidilutive.

h. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments which are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts, if any are shown within borrowings in current liabilities on the balance sheet.

i. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

j. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation models. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs.

k. Fair value measurement

The Company measures financial assets and financial liabilities at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability



Copsale Limited
Summary of significant accounting policies and other explanatory information

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

l. Current vs non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. The Company considers 12 months to be its normal operating cycle.

m. Significant accounting judgments, estimates and assumptions

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of trade receivable

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include assessing credit risk based on jurisdiction of operation of the customers, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.



Copsale Limited
Summary of significant accounting policies and other explanatory information

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Intangible assets

The Company is required to identify and assess the useful life of intangible assets and determine their income generating life. Judgment is required in determining this and then providing an amortisation rate to match this life as well as considering the recoverability or conversion of advances made in respect of securing film content or the services of talent associated with film production.

Accounting for the film content requires management's judgment as it relates to total revenues to be received and costs to be incurred throughout the life of each film or its license period, whichever is shorter. These judgments are used to determine the amortisation of capitalized film content costs.

In the case of film content that is acquired by the Company after its initial exploitation, commonly referred to as Library, amortisation is spread evenly over the lesser of 10 years or the license period. Management's policy is based upon factors such as historical performance of similar films, the star power of the lead actors and actresses and others. Management regularly reviews, and revises when necessary, its estimates, which may result in a change in the rate of amortisation and/or a write down of the asset to the recoverable amount.

The Company tests annually whether intangible assets have suffered any impairment, in accordance with the accounting policy. These calculations require judgments and estimates to be made, and in case of an unforeseen event these judgments and assumptions would need to be revised and the value of the intangible assets could be affected. There may be instances where the useful life of an asset is shortened to reflect the uncertainty of its estimated income generating life.

Ind AS 115 Revenue from contract with customers

Effective April 1, 2018, the Company adopted Ind AS 115. As a result, the Company has changed its accounting policy for revenue recognition

The Company has applied the standard prospectively with the cumulative effect being recognized as a transition adjustment to the Company's opening retained earnings as at April 1, 2018. The comparative information has not been restated and continues to be reported in accordance with the principles of Ind AS 18 "Revenue." The initial application of the standard applies to active contracts as at April 1, 2018. The key area impacted upon adoption of Ind AS relates to the accounting for long term revenue contracts. Specifically, under Ind AS 115, a portion of sales have been recorded as a provision to sales and reversed in proportion of payment received from customer and time lapsed. (refer note 22)



Copsale Limited
Notes to the Financial Statements

Amount ₹ in Lakhs

4 Intangible assets

Gross carrying amount	Film Rights	Content advances
Balance as at 1 April 2018	70,612	18,868
Additions	-	-
Adjustments	-	(696)
Exchange difference	4,493	1,203
Balance as at 31 March 2019	75,105	19,375
Additions	481	-
Adjustments	-	-
Impairment of Content advance	-	(19,798)
Exchange difference	6,629	423
Balance as at 31 March 2020	82,215	-
Accumulated amortisation		
Balance as at 1 April 2018	49,232	-
Amortisation charge	3,150	-
Exchange difference	3,163	-
Balance as at 31 March 2019	55,545	-
Amortisation charge	3,111	-
Impairment of film rights	3,563	-
Exchange difference	5,345	-
Balance as at 31 March 2020	67,564	-
Net carrying amount		
Balance as at 31 March 2019	19,560	19,375
Balance as at 31 March 2020	14,651	-

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Copsale Limited
Notes to the Financial Statements

	Amount ₹ in Lakhs	
	As at 31 March 2020	As at 31 March 2019
5 Loans		
Unsecured, considered good, non current Loans to related parties	75,887	42,796
Total	75,887	42,796
6 Trade receivables		
Unsecured, considered good	754	13,787
	754	13,787
Less: Provision for expected credit loss	(161)	(2,582)
Total	593	11,205
All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.		
The movement in the allowances for expected credit losses is as follows:		
	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning of the period	2,582	4,575
Charged to operations	98	4,434
Unwinding of expected credit loss (included in finance income)	(2,527)	(6,427)
Balance at the end of the period	153	2,582
7 Cash and bank balances		
Cash on hand (*)	0	0
Balances with banks in current accounts	1	1
	1	1
Other bank balances		
Bank deposits with maturity more than 3 months but less than 12 months	-	7,054
Total	1	7,055
(*) Amount represent less than ₹ one Lakh		
8 Other financial assets		
Accrued interest on bank deposits	-	67
Total	-	67

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Copsale Limited
Notes to the Financial Statements

Amount ₹ in Lakhs
except per share data

9 Equity share capital	Par Value Per Share (USD)	As at 31 March 2020		As at 31 March 2019	
		Number	Amount	Number	Amount
Authorised share capital					
Equity shares	1	105,000	45	105,000	45
		105,000	45	105,000	45
Issued, subscribed and fully paid up					
Equity shares	1	105,000	45	105,000	45
Total		105,000	45	105,000	45

a) Reconciliation of paid-up share capital (equity shares)

Balance at the beginning of the year	105,000	45	105,000	45
Addition during the year	-	-	-	-
Balance at the end of the year	105,000	45	105,000	45

b) Rights, preferences, restrictions of Equity Shares

The Company has only one class of equity shares having par value of \$1 per share. Every holder is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors and approved by the Shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares in the Company held by holding company

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Eros International Media Limited, - holding company	105,000	45	105,000	45

d) Details of shareholders holding more than 5% of shares in the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	% of Holding	Number	% of Holding
Eros International Media Limited, - holding company	105,000	100	105,000	100

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Copsale Limited

Notes to the Financial Statements

Amount ₹ in Lakhs

	As at 31 March 2020	As at 31 March 2019
10 Other equity		
a. Foreign currency translation reserve		
Balance at the beginning of the year	10,805	5,731
Add: Effect of foreign exchange rate variations during the year	7,740	5,074
Balance at the end of the year	18,545	10,805
b. Retained earnings		
Balance at the beginning of the year	89,182	72,434
Add: Profit after tax for the year	(17,127)	16,748
Balance at the end of the year	72,055	89,182
c. Other comprehensive income		
Balance at the beginning of the year	-	-
OCI- Not to classified through PL	(56)	-
Balance at the end of the year	(56)	-
Total	90,544	99,987
11 Trade payables		
Payables to others	23	18
Payables to related parties (refer note 19)	512	-
Total	535	18
The carrying value of trade payable is considering to be a reasonable approximation of fair value.		
12 Other current liabilities		
Other payables	8	8
Total	8	8

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Copsale Limited

Notes to the Financial Statements

Amount ₹ in Lakhs

	Year ended 31 March 2020	Year ended 31 March 2019
13 Revenue from operations		
Revenue	4,535	16,400
Total	4,535	16,400
14 Other income		
Interest on bank deposit	106	115
Interest on related party advances	3,718	-
Unwinding of interest on expected credit loss	1,050	1,081
Excess provision written back of expected credit loss	1,477	5,346
Total	6,351	6,542
15 Film right costs including amortisation expenses		
Film rights cost	-	3,019
Amortisation of film rights (refer note 4)	3,111	3,150
Total	3,111	6,169
16 Other expenses		
Legal and professional expenses	4	6
Payment to auditors (refer note 19)	8	8
Trade receivable written-off	1,528	-
Bank charges	1	10
Loss on foreign currency transactions and translation (net) (**)	0	0
License fees	-	1
Total	1,541	25
17 Exceptional Items		
Impairment of content advance (^)	19,798	-
Impairment of film rights(^)	3,563	-
Total	23,361	-

(**) Amount represent less than ₹ one Lakh

(^) The COVID-19 outbreak and resulting measures taken by the Government to contain the virus have already significantly affected the business in the fourth quarter of fiscal 2020. Further, during fiscal 2020, the Company has witnessed a significant decline in market capitalization as compared with the previous year. Because of unexpected decline in the market capitalization and disruptions in the business caused by the outbreak of COVID-19, the Company has performed the annual impairment assessment following the requirements of Ind AS 36 'Impairment of Assets'.

Based on the assessment, the management has recorded the impairment charge of INR 23,361 lakhs and disclosed the same under the exceptional item.

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Copsale Limited
Notes to the Financial Statements

Amount ₹ in Lakhs
except per share data

18 Earnings per share

	Year ended 31 March 2020	Year ended 31 March 2019
Net profit for the year (Amount ₹ in lakhs)	(9,443)	16,748
Weighted average number of equity shares	105,000	105,000
Nominal value of shares (in USD per share)	1	1
Basic EPS (₹)	(8,993)	15,950
Diluted EPS (₹)	(8,993)	15,950

19 Auditors' remuneration

Statutory audit fees	8	8
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Total	8	8
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Copsale Limited
Notes to the Financial Statements

20 Related party disclosures

a) Names of related parties

Relationship	Name	Place of incorporation
Ultimate Holding Company	Eros International PLC	Isle of Man
Step up Holding Company	Eros Worldwide FZ LLC	Dubai
Holding Company	Eros International Media Limited	India
Fellow subsidiary companies with whom transactions	Digicine PTE Limited	Singapore
Entities under common control with whom	Eros International Limited Eros Digital FZ LLC Eros Films Limited	United Kingdom Dubai Isle of Man
Key Management Personnel (KMP)	Mr Surender Sadhwani (Director) Mr. Farokh P. Gandhi [Group Chief Financial Officer (India)]	

Percentage number of share held by related parties

	As at 31 March 2020 %	As at 31 March 2019 %
Eros International Media Limited	100%	100%
	100%	100%

b) Transactions with related parties during the year

	Year ended 31 March 2020	Year ended 31 March 2019
Sale of film rights		
Eros Worldwide FZ LLC	4,535	834
Total	4,535	834

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Copsale Limited
Notes to the Financial Statements

	Amount ₹ in Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
Purchase of film rights		
Digicine Pte Limited	481	2,283
Total	481	2,283
Interest income		
Eros Worldwide FZ LLC	3,718	-
Total	3,718	-
Loans and advances given		
Eros International Limited	100	1,102
Eros Worldwide FZ LLC	19,312	35,307
Digicine PTE Limited	-	-
Eros Films Limited	7,858	13,937
Total	27,270	50,346
Repayment of loans and advance given		
Eros Worldwide FZ LLC	115	67
Eros Films Limited	7,858	13,937
Eros International Limited	100	1,102
Total	8,073	15,106
Transfer of balances		
Eros Worldwide FZ LLC(*)	-	(3,652)
Eros International Media Limited(*)	-	1,516
Digicine PTE Limited (*)	-	2,136
Total	-	-

c) Balances with related parties

	As at 31 March 2020	As at 31 March 2019
Trade payables		
Digicine Pte Limited	512	-
Total	512	-
Loans and advances given		
Eros Worldwide FZ LLC	75,887	42,796
Total	75,887	42,796

(*)On account of transfer of receivable from Eros International Limited and Eros Films Limited amounting to INR 100 lakhs and INR 7,858 lakhs respectively with Eros Worldwide FZ LLC.

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Copsale Limited
Notes to the Financial Statements

21 Management of Capital Risk and Financial Risk

1) Capital management policies and procedures

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity plus its borrowings, less cash and cash equivalents as presented on the face of the balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The amounts managed as capital by the Company for the reporting period are summarized as follows:

Particulars	Amount ₹ in Lakhs	
	As at 31 March 2020	As at 31 March 2019
Total equity	90,589	100,032
Less : Cash and cash equivalents	1	7,055
Capital	90,588	92,977

2) Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

a) Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from its operating activities.

Currency sensitivity

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company does not have major exposure in currency fluctuation except related party.

Interest rate sensitivity

Interest rate risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, The Company performs a comprehensive corporate interest rate risk management.

The Company is not exposed to significant interest rate risk as at the respective reporting dates as it does not have any external borrowings.

b) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example receivables from customers, placing deposits with banks etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

Classes of financial assets-carrying amounts:	Amount ₹ in Lakhs	
	As at 31 March 2020	As at 31 March 2019
Loans	75,887	42,796
Trade receivables	593	11,205
Cash and bank balances	1	7,055
Other financial assets	-	67
	76,481	61,122

The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these instruments.

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Copsale Limited

Notes to the Financial Statements

c) Liquidity risk analysis

There is no material impact of liquidity risk on the Company.

22 Significant financing component

For content licensing arrangements, the Company's collection period range between 18 – 24 months from contract inception date. Under Ind AS 115, an entity needs to adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit. As such, for arrangements where the implied collection period (or normal credit term) is considered to be more than 1 year, revenue is recognised after adjusting the promised amount of consideration for a significant financing component, using the discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception. The effects of financing, i.e. unwinding of the financing component, is recognised separately from revenue from contracts with customers in the Statement of Income, within 'Finance income'. Any subsequent change in collection date from the anticipated collection date considered on the contract inception date has been recognised separately in the Statement of Income, within 'Other gains/(losses), net'.

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Copsale Limited
Notes to the Financial Statements

23 Categories of financial assets and financial liabilities

Amount ₹ in Lakhs

	Carrying value/fair value		Total
	Financial assets/liabilities at FVTPL	Financial assets/liabilities at amortised cost	
31 March 2020			
Financial assets			
Measured at FVTPL			
Trade receivables	593	-	593
Measured at amortised cost			
Loans	-	75,887	75,887
Cash and bank balances	-	1	1
	593	75,888	76,481
Financial liabilities			
Trade payables	-	535	535
	-	535	535

	Carrying value/fair value		Total
	Financial assets/liabilities at FVTPL	Financial assets/liabilities at amortised cost	
31 March 2019			
Financial assets			
Measured at amortised cost			
Loans	-	42,796	42,796
Trade receivables	-	11,205	11,205
Cash and bank balances	-	7,055	7,055
Other financial assets	-	67	67
	-	61,123	61,123
Financial liabilities			
Trade payables	-	18	18
	-	18	18

The net carrying value of cash and bank balances, trade receivables, loans and advances, investments, other financial assets and trade payables is a reasonable approximation of fair value largely due to short term maturities of these instruments.



Copsale Limited
Notes to the Financial Statements

24 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based in the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

25 Segment Reporting

As permitted by Ind As 108 , 'Segment Reporting', if a single financial report contains both consolidated financial statements and separate financial statements of the parent, segment information needs to be presented only on the basis of consolidated financial statements. Accordingly, disclosures mandated by Ind As 108 have been made in the consolidated financial statements.

26 Contingent liability and commitments

The Company has no contingent liabilities or commitments.

27 Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2020 and the date of authorisation of these financial statements.

28 Authorisation of financial statements

The financial statements for the year ended 31 March 2020 were approved by the board of directors on 29 July 2020

As per our report of even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No.: 101720WAW100355



Amit Chaturvedi
Partner
Membership No: 103141
Place: Mumbai
Date: 29 July 2020

For and on behalf of the Board of Directors



Surender Sadhwani
Director

Place: Dubai
Date: 29 July 2020

