

INDEPENDENT AUDITOR'S REPORT

To the Members of EROS INTERNATIONAL FILMS PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **EROS INTERNATIONAL FILMS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its Loss including Other Comprehensive Income, 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 ("SA") 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Management 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 income, cash flows and the statement of changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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.

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

Auditor's Responsibilities for the audit of the Financial Statements

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 skepticism 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income , the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act;
- e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting with reference to these Financial Statements;
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 36 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) Management has represented to us that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) Management has represented to us that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (g) (iv) (a) & (b) contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year.

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

Amit Chaturvedi
Partner
Membership No. 103141
UDIN:- 22103141AJVMTP7051
Place- Mumbai
Date: 29th May, 2022

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE FINANCIAL STATEMENTS OF EROS INTERNATIONAL FILMS PRIVATE LIMITED

(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)

- i) In respect of its Property, Plant and Equipment:-
 - (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment on the basis of available information.

(B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.
 - (b) As explained to us, Property, Plant and Equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) As the Company has no immovable properties during the year, the requirement of clause (i) (c) of Paragraph 3 of the Order is not applicable.
 - (d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
 - (e) As the Company has no immovable properties during the year, the requirement of clause (i) (e) of Paragraph 3 of the Order is not applicable.
- ii) (a) As explained to us and on the basis of the records examined by us, in our opinion, physical verification of the inventories have been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. (Films and Web Series where Company owns the rights are verified with reference to the title documents/ agreements). As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory.

(b) The Company has not availed any working capital limits from banks or financial institutions during the year on the basis of security of current assets. Consequently, the requirement of clause (ii) (b) of paragraph 3 of the Order is not applicable to the Company.
- iii) With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:-

- a) As per the information and explanations given to us and books of accounts and records examined by us, during the year, the Company has not provided any guarantee or security and has not granted any advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities. With respect to loans granted during the year:-
- i. Loan of ₹ 120 Lakhs has been granted to one Company during the year and balance outstanding at balance sheet date with respect to such loans are ₹ 7,286 Lakhs.
- b) In our opinion and according to information and explanations given us and on the basis of our audit procedures, the terms and conditions of all loans made by the Company are not prejudicial to the Company's interest. The Company has not made any investments or provided any guarantees or given security and has not granted any advances in the nature of loans during the year.
- c) According to the books of accounts and records examined by us in respect of the loans granted, there is no stipulation of schedule of repayment of principal and payment of interest.
- d) In respect of the said loan and interest thereon, there are no overdue amounts.
- e) The Company has not renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Consequently, the requirement of clause (iii) (e) of paragraph 3 of the Order is not applicable to the Company.
- f) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the Company has granted loan to one party either repayable on demand or without specifying any terms of period of repayment. In respect of the said loan:-

(₹ In Lakhs)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans	7,286	-	
-Repayable on Demand (A)	7,286	-	7,286
-Agreement doesn't specify any terms or period of repayment (B)	-	-	-
Total (A+B)	7,286	-	7,286
Percentage of loans to the total loans	100%	-	100%

- iv) The Company has not directly or indirectly advanced loan to the person or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act. The Company has complied with the provisions of the Section 186 of the Act, in respect of investments, loans, guarantee or security given.

- v) According to the information and explanations given to us, the Company has not accepted any deposits and there are no amounts which are deemed to be deposit, within the meaning of provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii) In respect of Statutory dues :-
- a. According to the records of the Company, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to it have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. According to the information and explanations given to us, following are the undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2022 for a period of more than six months from the date of becoming payable:-

Sr. No.	Name of Statute	Nature of Dues	Amount (₹ in Lakhs,	Period to which the amount relates	Due Date	Date of Payment
1	Income Tax Act, 1961	Tax deducted at sources (TDS)	57.19	April 2021 to September 2021	Various dates	Unpaid
2	Income Tax Act, 1961	Interest on Tax deducted at sources (TDS)	8.71	April 2021 to September 2021	Various dates	Unpaid

- b. According to the information and explanations given to us, there are no dues of goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to it, which have not been deposited as on March 31, 2022 on account of any dispute, except the disputed statutory dues aggregating to ₹ 9,598.70 Lakhs on account of disputed matters pending before the appropriate authorities as under:-

Sr. No.	Name of Statute	Nature of Dues	Amount (in Lakhs ,	Amount paid under protest (Rs. In Lakhs)	Period to Which the amount relates	Forum where dispute is Pending
1	Finance Act, 1994	Service tax , Penalties and interest	7,590.31	284.63	Various years from 2009-10 to 2013-14	CESTAT
2	Maharashtra Value Added Tax, 2002	Sales tax	656.61	44.76	Financial year 2014-15	CESTAT
			824.43	-	Financial year 2015-16	CESTAT
			23.32	0.73	Financial year 2008-09	Deputy Commissioner of sales tax (Appeals)
3	Central Sales Tax Act, 1956 Total	Sales Tax	74.40	0.85	Financial year 2009-10	Joint Commissioner of sales tax (Appeals)
			380.94	9.07	Financial year 2010-11	Joint Commissioner of sales tax (Appeals)
			42.97	1.94	Financial year 2015-16	Deputy Commissioner of sales tax (Appeals)
			5.71	0.19	Financial year 2009-10	Joint Commissioner of sales tax (Appeals)
			9,598.70	342.18		

- viii) According to the information and explanations given to us, there are no transactions which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961). Consequently, the requirement of clause (viii) of paragraph 3 of the Order is not applicable to the Company.

- ix) (a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has defaulted in repayment of borrowings and in the payment of interest thereon as under:-

(Amount in Lakhs)							
Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Interest	Principal	No. of days delay	No. of days unpaid	Remarks, if any
Working Capital Term Loan	Others	27.55	27.55	-	100-250 Days	-	-
		66.05	66.05	-	-	1 day	-
		391.95	391.95	-	-	1 day	-
		38.00	38.00	-	-	1 day	-

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given and records examined by us, the money raised by way of term loans have been applied prima facie for the purpose for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) As the Company has no subsidiaries, associates or joint ventures, hence clause (ix) (e) and (ix) (f) of paragraph 3 or the Order is not applicable to the Company.

- x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence clause (x) (a) of paragraph 3 of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

- xi) (a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) In our opinion and according to the information and explanations given to us and as represented to us by the Management, there are no reports under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.

xii) In our opinion Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable Accounting Standards.

xiv) In our opinion and based on our examination, the Company doesn't have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013. Consequently, the provisions of clause (xiv) (a) to (xiv) (b) of paragraph 3 of the Order are not applicable to the Company.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under Section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.

xvi) (a) To the best of our knowledge and as explained, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

(c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) The Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause (xvi)(d) of the Order is not applicable.

xvii) The Company has incurred cash loss of ₹ 190.98 Lakhs during the financial year covered by the audit. The Company has not incurred cash losses in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) In our opinion and according to the information and explanations given to us, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company; hence clause (xx) (a) and (xx) (b) of paragraph 3 of the Order are not applicable to the Company.
- xxi) According to information and explanations given to us, as the Company has no subsidiaries, associates or joint ventures the requirement of preparation of consolidated financial statement under sub-section 3 of Section 129 of the Act is not applicable to the Company. Therefore, provisions of clause (xxi) of Paragraph 3 of the Order are not applicable to the Company.

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

Amit Chaturvedi
Partner
Membership No. 103141
UDIN:- 22103141AJVMTP7051
Place- Mumbai
Date: 29th May, 2022

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF EROS INTERNATIONAL FILMS PRIVATE LIMITED

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

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

We have audited the internal financial controls over financial reporting of **EROS INTERNATIONAL FILMS PRIVATE LIMITED** (“the Company”) as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting with reference to these Financial Statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W/W100355

Amit Chaturvedi

Partner

Membership No. 103141

UDIN:- 22103141AJVMTP7051

Place- Mumbai

Date: 29th May, 2022

Eros International Films Private Limited
Balance Sheet as at 31 March 2022

	Notes	As at 31 March 2022 Amount in ₹ '000	As at 31 March 2021 Amount in ₹ '000
ASSETS			
Non-current assets			
Property, plant and equipment	3	4	5
Intangible assets			
a) Content advances	4	-	81,700
b) Intangible assets under development	4	3,374	3,374
Financial assets			
Investments	5	7	7
Income tax assets (net)	6	18,873	14,914
Deferred tax assets	7	944	1,219
Other non-current assets	8	21,450	21,450
Current assets			
Inventories	9	2,50,000	-
Financial assets			
a) Trade receivables	10	12,412	58,323
b) Cash and cash equivalents	11	920	1,702
c) Loans	12	7,28,663	6,79,959
d) Other financial assets	13	-	6,769
Other current assets	14	1,74,939	1,25,797
Total Assets		12,11,586	9,95,219
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	2,00,000	2,00,000
Other equity	16	(1,10,812)	(8,048)
		89,188	1,91,952
Current liabilities			
Financial liabilities			
a) Borrowings	17	5,26,404	4,70,300
b) Trade payables	18		
i) Total outstanding dues of MSME		-	-
ii) Total outstanding dues of creditors other than MSME		5,12,000	2,82,347
c) Other financial liabilities	19	61,932	30,156
Other current liabilities	20	22,062	12,025
Current tax liabilities	21	-	8,439
		11,22,398	8,03,267
Total Equity and Liabilities		12,11,586	9,95,219

Notes 1 to 42 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

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

Amit Chaturvedi
Partner
Membership No: 103141

Sunil Lulla
Director
(DIN :- 00243191)

K. Anand Shankar
Director
(DIN :- 02942810)

Rajesh Chalke
Chief Financial Officer

Vijay Thaker
Company Secretary

Place: Mumbai
Date: 28 May 2022

Place: Mumbai
Date: 28 May 2022

Place: Mumbai
Date: 28 May 2022

Eros International Films Private Limited
Statements of Profit and Loss for the year ended March 31,2022

	Notes	Year ended 31 March 2022 Amount in ₹ '000	Year ended 31 March 2021 Amount in ₹ '000
Revenue			
Revenue from operations (net)	22	1,20,000	58,145
Other income	23	75,569	89,905
Total revenue		1,95,569	1,48,050
Expenses			
Purchases/operating expenses	24	3,99,600	48,349
Changes in inventories	25	(2,50,000)	-
Finance costs	26	59,725	58,333
Depreciation and amortisation expense	27	-	1
Other expenses	28	88,733	10,597
Total expenses		2,98,058	1,17,280
(Loss)/Profit before tax		(1,02,489)	30,770
Tax expense			
	29		
Current tax		-	8,439
Deferred tax		275	7,859
Mat credit (created)/utilized		-	5,145
Short/(excess) provision for tax of earlier years		-	(455)
		275	20,988
Profit/(loss) for the year after tax		(1,02,764)	9,782
(i) Items that will not be reclassified to profit or loss		-	-
(ii) Items that will be reclassified to profit or loss		-	-
Total Comprehensive Income/(loss) for the year		(1,02,764)	9,782
Earnings per equity share of ₹ 10 each:			
- Basic (In ₹)	30	(5.14)	0.49
- Diluted (In ₹)		(5.14)	0.49

Notes 1 to 42 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

For and on behalf of the Board of Directors

Amit Chaturvedi
Partner
Membership No: 103141

Sunil Lulla
Chairman
(DIN :- 00243191)

K. Anand Shankar
Director
(DIN :- 02942810)

Rajesh Chalke
Chief Financial Officer

Vijay Thaker
Company Secretary

Place: Mumbai
Date: 28 May 2022

Place: Mumbai
Date: 28 May 2022

Place: Mumbai
Date: 28 May 2022

Eros International Films Private Limited
Statements of Cash Flow for the year ended 31 March 2022

	Year ended 31 March 2022 Amount in ₹ '000	Year ended 31 March 2021 Amount in ₹ '000
Cash flow from operating activities		
Profit before tax	(1,02,489)	30,769
Adjustments for non-cash transactions:		
Depreciation	-	1
Finance costs	59,725	58,333
Interest income on advance	(67,984)	(88,842)
Provision for doubtful advances	81,700	-
Balance written off	-	7,330
Balance written back	-	(1,057)
Unrealised foreign exchange	(763)	501
Operating profit before working capital changes	(29,811)	7,036
Movements in working capital:		
(Decrease)/Increase in trade payables	2,29,654	(13,523)
(Decrease)/Increase in other current liabilities	7,079	(6,823)
Decrease in inventories	(2,50,000)	-
(Increase)/Decrease in trade receivable	46,674	(35,852)
(Increase)/Decrease in Other financial assets	6,769	19,575
(Decrease)/Increase other financial liabilities	153	9,772
(Increase)/ Decrease in other current assets	(49,142)	(8,041)
Cash (used in)/generated from operations	(38,624)	(27,855)
Taxes (paid)/refund received (net)	(12,398)	(6,736)
Net cash (used in)/generated from operating activities	(51,022)	(34,592)
Cash flow from investing activities		
Loan and advances given (net)	19,280	69,089
Purchase of intangible film rights and related content (net)	-	(3,374)
Net cash generated/(used in) from investing activities	19,280	65,715
Cash flows from financing activities		
Proceeds from short-term borrowings	1,47,404	62,400
Repayment of short-term borrowings	(91,300)	(15,600)
Finance costs	(25,144)	(77,017)
Net cash generated from/(used in) financing activities	30,960	(30,216)
Net increase in cash and cash equivalents	(782)	907
Cash and cash equivalents at the beginning of the year	1,702	795
Cash and cash equivalents at the end of the year (Refer Note 11)	920	1,702
Changes in liability arising from financing activities:		
Opening balance	4,70,300	4,13,500
Cashflows	56,104	46,800
Adjustments	(0)	10,000
Closing balance	5,26,404	4,70,300

Notes 1 to 42 form an integral part of these financial statements

The above cash flow statement has been prepared under the "indirect method" as set out in Indian Accounting Standard (Ind AS-7)- Statement of cash flow.

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: 28 May 2022

For and on behalf of the Board of Directors

Sunil Lulla **K. Anand Shankar**
Chairman Director
(DIN :- 00243191) (DIN :- 02942810)

Rajesh Chalke **Vijay Thaker**
Chief Financial Officer Company Secretary

Place: Mumbai Place: Mumbai
Date: 28 May 2022 Date: 28 May 2022

Eros International Films Private Limited
Statement of Changes in Equity for the year ended 31 March 2022

A. Equity Share Capital

	<u>Number</u>	<u>Amount in ₹ '000</u>
Balance as at 1 April 2020	2,00,00,000	2,00,000
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	<u>2,00,00,000</u>	<u>2,00,000</u>
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	<u><u>2,00,00,000</u></u>	<u><u>2,00,000</u></u>

B. Other Equity

	<u>Retained Earnings</u>	<u>Total</u>
	<u>Amount in ₹ '000</u>	<u>Amount in ₹ '000</u>
Balance at the 1 April 2020	(17,830)	(17,830)
Profit for the year	9,782	9,782
Other comprehensive income for the year	-	-
Balance at 31 March 2021	<u>(8,048)</u>	<u>(8,048)</u>
Profit for the year	(1,02,764)	(1,02,764)
Other comprehensive income for the year	-	-
Balance as at 31 March 2022	<u><u>(1,10,812)</u></u>	<u><u>(1,10,812)</u></u>

As per our report of even date

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

For and on behalf of the Board of Directors

Amit Chaturvedi
Partner
Membership No: 103141

Sunil Lulla
Chairman
(DIN :- 00243191)

K. Anand Shankar
Director
(DIN :- 02942810)

Rajesh Chalke
Chief Financial Officer

Vijay Thaker
Company Secretary

Place: Mumbai
Date: 28 May 2022

Place: Mumbai
Date: 28 May 2022

Place: Mumbai
Date: 28 May 2022

Eros International Films Private Limited
Notes to the financial statements and other explanatory information

(Amount in ₹ '000)

3 Property, plant and equipment

Gross carrying amount	Furniture and fixtures	Office equipment	Data processing equipment	Studio equipment	Total
Balance as at 1 April 2020	837	138	340	10,628	11,943
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 March 2021	837	138	340	10,628	11,943
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 March 2022	837	138	340	10,628	11,943
Accumulated depreciation					
Balance as at 1 April 2020	837	138	340	10,622	11,937
Depreciation charge	-	-	-	1	1
Disposals	-	-	-	-	-
Balance as at 31 March 2021	837	138	340	10,623	11,938
Depreciation charge	-	-	-	0	0
Disposals	-	-	-	-	-
Balance as at 31 March 2022	837	138	340	10,624	11,939
Net carrying amount					
Balance as at 31 March 2021	-	-	-	5	5
Balance as at 31 March 2022	-	-	-	4	4

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Eros International Films Private Limited
Notes to the financial statements and other explanatory information

4 Intangible assets - Content advances

(Amount in ₹ '000)

	Content advances	Intangible assets under development	Total
Balance as at 1 April 2020	81,700	-	81,700
Additions	-	3,374	3,374
Disposals	-	-	-
Impairment	-	-	-
Balance as at 31 March 2021	81,700	3,374	85,074
Additions	-	-	-
Disposals/adjustment	-	(0)	(0)
Provision for doubtful advances	(81,700)	-	(81,700)
Balance as at 31 March 2022	-	3,374	3,374
Accumulated Amortization			
Balance as at 1 April 2020	-	-	-
Amortization charge	-	-	-
Balance as at 31 March 2021	-	-	-
Amortization charge	-	-	-
Balance as at 31 March 2022	-	-	-
Balance as at 31 March 2021	81,700	3,374	85,074
Balance as at 31 March 2022	-	3,374	3,374

4.1

(a) Ageing as at 31st March , 2022

	Amount in Content Advances for a period of				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	81,700	81,700
Total	-	-	-	81,700	81,700

(a) Ageing as at 31st March , 2021

	Amount in Content Advances for a period of				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	81,700	81,700
Total	-	-	-	81,700	81,700

4.2 Intangible Assets under development (IAUD)

(a) Ageing as at 31st March , 2022

	Amount in IAUD for a period of				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Projects in progress	-	3,374	-	-	3,374
Projects temporarily suspended	-	-	-	-	-
Total	-	3,374	-	-	3,374

(a) Ageing as at 31st March , 2021

	Amount in IAUD for a period of				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Projects in progress	3,374	-	-	-	3,374
Projects temporarily suspended	-	-	-	-	-
Total	3,374	-	-	-	3,374

Eros International Films Private Limited**Notes to the financial statements and other explanatory information**

	<u>As at</u> <u>31 March 2022</u> <u>(Amount in ₹ '000)</u>	<u>As at</u> <u>31 March 2021</u> <u>(Amount in ₹ '000)</u>
5 Investment		
Non - current investments		
Investment carried at FVTOCI		
Unquoted equity shares		
Eros Animation Private Limited	7	7
(700 (31 March 2021: 700) equity shares of Rs 10 each, fully paid-up)		
Eros Digital Private Limited	0	0
(20 (31 March 2021: 20) equity shares of Rs. 10 each face value, fully paid-up) (₹ 1/-) (31 March 2021 (₹ 1/-))		
Triple Com Media Private Limited	0	0
(200,000 (31 March 2021 : 200,000) equity shares of Rs 10 each, fully paid-up) (₹ 1/-) (31 March 2021 (₹ 1/-))		
Total	<u>7</u>	<u>7</u>
Aggregate amount of unquoted investment	7	7

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Eros International Films Private Limited

Notes to the financial statements and other explanatory information

	As at 31 March 2022 <u>(Amount in ₹ '000)</u>	As at 31 March 2021 <u>(Amount in ₹ '000)</u>
6 Income tax assets (net)		
Income tax (net)	18,873	14,914
Total	<u>18,873</u>	<u>14,914</u>

	As at 31 March 2022 <u>(Amount in ₹ '000)</u>	As at 31 March 2021 <u>(Amount in ₹ '000)</u>
7 Deferred tax assets (net)		
Depreciation on tangible assets	-	275
MAT credit recoverable	944	944
Total	<u>944</u>	<u>1,219</u>

	As at 31 March 2022 <u>(Amount in ₹ '000)</u>	As at 31 March 2021 <u>(Amount in ₹ '000)</u>
8 Other non-current assets		
Prepaid expenses	21,450	21,450
	<u>21,450</u>	<u>21,450</u>

	As at 31 March 2022 <u>(Amount in ₹ '000)</u>	As at 31 March 2021 <u>(Amount in ₹ '000)</u>
9 Inventories		
Film Rights	2,50,000	-
	<u>2,50,000</u>	<u>-</u>

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Eros International Films Private Limited
Notes to the financial statements and other explanatory information

As at
31 March 2022 As at
31 March 2021
(Amount in ₹ '000) (Amount in ₹ '000)

10 Trade receivables

Unsecured, considered good		
Dues from related parties (refer note 31)	5,405	58,323
Dues from others	7,007	-
Total	12,412	58,323

10.1 Trade Receivables ageing schedule as at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 year	2 - 3 year	More than 3 year	
Undisputed Trade receivables – considered good	7	7,000	-	5	-	7,012
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Subtotal	7	7,000	-	5	-	7,012

Trade Receivables ageing schedule as at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 year	2 - 3 year	More than 3 year	
Undisputed Trade receivables – considered good	-	52,917	5,405	-	-	58,323
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Subtotal	-	52,917	5,405	-	-	58,323

The net carrying value of the trade receivable is considering a reasonable approximation of fair value.

11 Cash and cash equivalents

Cash on hand	689	555
Balances with banks		
In current account	231	1,147
Total	920	1,702

12 Loans

Unsecured, considered good		
Loan to related parties (refer note 31)	7,28,663	6,79,959
Total	7,28,663	6,79,959

The said loan is repayable on demand and Interest is payable @ 8.9% (P.Y. @ 11 % p.a.)

12.1 Following loans have been granted to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand :

As at 31 March 2022

Type of borrower	Amount of loan or advance in the nature of loan	Percentage of the total loans and Advances in the nature of loans
Related parties	7,28,663	100%

As at 31 March 2021

Type of borrower	Amount of loan or advance	Percentage of the total loans and Advances in
Related parties	6,79,959	100%

13 Other financial assets

Other receivable		
Unsecured, considered good		
Dues from related parties (refer note 31)	-	6,769
Total	-	6,769

14 Other current assets

Advance to related party (refer note 31)	5,561	5,361
Balance with statutory authorities	1,69,378	1,20,436
(a) Service tax	30,356	30,356
(b) MVAT	19,998	19,998
(c) GST	1,19,024	70,082
Total	1,74,939	1,25,797

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Eros International Films Private Limited
Notes to the financial statements and other explanatory information

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount in ₹ '000	Number	Amount in ₹ '000
15 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	2,00,00,000	2,00,000	2,00,00,000	2,00,000
	2,00,00,000	2,00,000	2,00,00,000	2,00,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	2,00,00,000	2,00,000	2,00,00,000	2,00,000
Total	2,00,00,000	2,00,000	2,00,00,000	2,00,000

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity shares	Number	Number
At the beginning of the year	2,00,00,000	2,00,00,000
Add:- share issue during the year	-	-
At the end of the Year	2,00,00,000	2,00,00,000

b) Terms/preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividend. On the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholders.

c) Shares held by holding company, Subsidiary of Step up Holding Company

	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	Amount in ₹ '000	Number of shares held	Amount in ₹ '000
Eros International Media Limited - Holding Company	1,99,30,300	1,99,303	1,99,30,300	1,99,303
Eros Digital Private Limited - Subsidiary of Step up Holding Company	69,700	697	69,700	697

* 69,700 shares held by Eros Digital Private Limited (subsidiary of Step up Holding Company (up to 13 September 2021) as nominee share holder, whereas beneficiary share holder is Eros International Media Ltd (Holding Company)

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

	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% holding	Number of shares held	% holding
Eros International Media Limited - Holding Company	1,99,30,300	99.65	1,99,30,300	99.65

* 0.35% shares held by Eros Digital Private Limited (subsidiary of Step up Holding Company) as nominee share holder, whereas beneficiary share holder is Eros International Media Ltd (Holding Company)

e) Share holding of Promoter

As at 31st March 2022

Class of Equity share	Promoter's Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity Shares	Eros International Media Limited	1,99,30,300	-	1,99,30,300	99.65	-

As at 31st March 2021

Class of Equity share	Promoter's Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity Shares	Eros International Media Limited	1,99,30,300	-	1,99,30,300	99.65	-

Eros International Films Private Limited
Notes to the financial statements and other explanatory information

	As at	As at
	31 March 2022 (Amount in ₹ '000)	31 March 2021 (Amount in ₹ '000)
16 Other equity		
Surplus/(Deficit) in the statement of profit and loss		
Balance at the beginning of the year	(8,048)	(17,830)
Add: Net profit/(loss) for the year	(1,02,764)	9,782
Balance at the end of the year	(1,10,812)	(8,048)

17 Short term borrowing

Secured

Loan from related party (refer note 31)*	1,12,904	56,800
Loan from others**	4,13,500	4,13,500
Total	5,26,404	4,70,300

*The said loan is repayable on demand and Interest is payable @ 8.9% (P.Y. @ 11 % p.a.)

**The Company has obtained the borrowing to meet general working capital requirement for a period of 1 year at 13% per annum rate of interest and the borrowings are secured against 15,00,000 shares pledged by Eros Worldwide FZ LLC - step up holding company (up to 13 September 2021)

18 Trade payables

Payable to MSME	-	-
Payable to other than MSME	2,36,423	2,82,347
Trade payables - Related parties	2,75,577	-
Total	5,12,000	2,82,347

The carrying value of trade payable is considering to be a reasonable approximation of fair value.

18.1 Trade Payables ageing schedule As at 31st March,2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	2,81,419	39.50	21,970	2,08,561	5,11,989
Disputed dues -MSME					-
Disputed dues -Others					-
Subtotal	2,81,419	40	21,970	2,08,561	5,11,989

Trade Payables ageing schedule As at 31st March,2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME					-
Others	51,783	21,923	75,502	1,33,139	2,82,347
Disputed dues -MSME					-
Disputed dues -Others					-
Subtotal	51,783	21,923	75,502	1,33,139	2,82,347

19 Other financial liabilities

Unsecured, considered good		
Dues from related parties (refer note 31)	1,468	1,415
Interest accrued and due on borrowings	59,914	28,291
Payables for expenses	550	450
Total	61,932	30,156

20 Other current liabilities

Advances from customers - including related parties	1,393	1,354
Duties and taxes payable	20,669	10,671
Total	22,062	12,025

21 Current tax liabilities

Provision for corporate taxes (net)	-	8,439
Total	-	8,439

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Eros International Films Private Limited
Notes to the financial statements and other explanatory information

	Year ended 31 March 2022 (Amount in ₹ ' 000)	Year ended 31 March 2021 (Amount in ₹ ' 000)
22 Revenue from operations (net)		
Revenue from sale of film rights	1,20,000	58,145
Total	1,20,000	58,145
23 Other income		
Other non-operating income	6,822	6
Gain on foreign currency transactions and translation (net)	763	-
Interest income on advance	67,984	88,842
Sundry balances written back	-	1,057
Total	75,569	89,905
24 Purchases/ operating expenses		
Film rights cost	3,99,600	48,342
Consumption Of raw materials	-	7
Total	3,99,600	48,349
25 Changes in inventories		
Opening stock		
- Finished goods (Film Right)	-	-
Closing stock		
- Finished goods (Film Right)	2,50,000	-
Total	(2,50,000)	-
26 Finance costs		
Interest expenses	56,766	57,005
Interest on late payment of taxes	2,959	1,328
Total	59,725	58,333
27 Depreciation and amortisation expense		
Depreciation of property plant and equipment (refer note 3)	0	1
Total	-	1

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Eros International Films Private Limited
Notes to the financial statements and other explanatory information

	Year ended	Year ended
	31 March 2022	31 March 2021
	<u>(Amount in ₹ '000)</u>	<u>(Amount in ₹ '000)</u>
28 Other expenses		
Shipping, Packing & Forwarding Expenses	-	30
Payments to auditors (refer note 37)	350	358
Processing and other direct cost	4,352	-
Subscription and membership fees	35	42
Travelling and conveyance	174	356
Legal and professional expenses	622	351
Rates and taxes	13	21
Bank charges	25	33
Balance written off	-	7,330
Net loss on foreign currency transactions and translation	-	501
Provision for doubtful advances	81,700	-
Director sitting fees	150	180
Administrative expenses	1,200	1,200
Miscellaneous expenses	112	195
Total	<u><u>88,733</u></u>	<u><u>10,597</u></u>

Eros International Films Private Limited
Notes to the financial statements and other explanatory information

29 Income tax expenses

Current tax

Current period		
Current tax on profit	-	8,439
Mat credit (created)/utilized	-	5,145
Income tax expenses for previous year	-	(455)

Deferred tax assets

Depreciation on tangible assets	275	2,109
Loss for the year	-	5,750

275	20,988
-----	--------

Reconciliation of statutory rate of tax and effective rate of tax

Profit before tax	-1,02,489	30,770
Tax expense	275	20,988
Tax rate as a % of profit before tax	-0.27%	68.21%

Adjustments

Effect of Items deductible for tax purpose	30.11	0.18
Non-deductible expenses for tax purposes	-4.35	-0.24
Effect of unrecognised deferred tax assets	0.00	-0.19
Tax impact of earlier years	0.00	0.01
Impact of MAT	0.00	-0.17
At India's statutory income tax rate of 26 % in cuurent year	25.76	0.28

30 Earnings per share (EPS)

a) Computation of net profit for the year

Profit/(loss) after tax attributable to equity shareholders	(1,02,764)	9,782
---	------------	-------

b) Computation of number of shares for basic earnings per share

Weighted average number of equity shares	2,00,00,000	2,00,00,000
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c) Computation

Basic and diluted EPS (face value ₹ 10 each)	(5.14)	0.49
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Eros International Films Private Limited
Notes to the financial statements and other explanatory information

31 Related party disclosures

a) Names of related parties

Relationship	Name
Ultimate Holding Company	Eros STX Global Corporation, Isle of Man (up to 13 September 2021) (Formerly known as Eros International PLC)
Step up Holding Company	Eros Worldwide FZ-LLC, Dubai (up to 13 September 2021)
Holding Company	Eros International Media Limited
Fellow Subsidiary	Eros Now Private Limited
Entities under common control with whom Company had transactions	Eros International Limited, UK Eros Digital FZ - LLC, Dubai
Key Management Personnel (KMP)	Mr. Sunil Lulla – Director Mr. K. Anand Shankar - Director Mr. Rajesh Chalke - Chief Financial Officer

b) Transactions with related parties

	Year ended 31 March 2022 (Amount in ₹ '000)	Year ended 31 March 2021 (Amount in ₹ '000)
Sale of film rights		
Eros International Media Limited	-	4,892
Eros Worldwide FZ-LLC, Dubai	-	53,253
Total	-	58,145
Purchase of film rights		
Eros International Media Limited	3,99,600	-
Total	3,99,600	-
Interest income on advance		
Eros International Media Limited	67,984	88,842
Total	67,984	88,842
Interest expenses on advances		
Eros Now Private Limited	4,410	4,217
Total	4,410	4,217
Administrative expenses		
Eros International Media Limited	1,200	1,200
Total	1,200	1,200

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Eros International Films Private Limited
Summary of significant accounting policies and other explanatory information

	Year ended 31 March 2022 (Amount in ₹ '000)	Year ended 31 March 2021 (Amount in ₹ '000)
Re-imbursement of expenses		
Eros Worldwide FZ-LLC, Dubai	-	42,120
Eros Digital FZ-LLC, Dubai	-	-
Total	-	42,120
Proceeds from borrowings		
Eros Now Private Limited	1,44,200	58,500
	1,44,200	1,42,740
Trade advance given/repayment		
Eros International Media Limited	12,000	51,028
Total	12,000	51,028
Repayment of advance given		
Eros International Media Limited	815	1,12,128
	815	1,12,128
Repayment of borrowings		
Eros Now Private Limited	92,506	5,600
	92,506	5,600

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Eros International Films Private Limited
Summary of significant accounting policies and other explanatory information

	As at 31 March 2022 (Amount in ₹ '000)	As at 31 March 2021 (Amount in ₹ '000)
c) Balances with related parties		
Loan - current assets		
Eros International Media Limited	7,28,663	6,79,959
Total	7,28,663	6,79,959
Trade receivables		
Eros Worldwide FZ LLC, Dubai	-	52,917
Eros International Media Limited	5,405	5,405
Total	5,405	58,323
Other financial assets		
Eros Worldwide FZ LLC, Dubai	-	6,769
	-	6,769
Other current assets		
Eros International Limited, UK	5,561	5,361
	5,561	5,361
Other financial liabilities		
Eros Digital FZ-LLC, Dubai	1,468	1,415
	1,468	1,415
Borrowings		
Eros Now Private Limited	1,12,904	56,800
	1,12,904	56,800
Other current liabilities		
Eros International Limited, UK	1,093	1,054
	1,093	1,054
Trade Payable		
Eros International Media Limited	2,75,577	-
	2,75,577	-

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Eros International Films Private Limited**Notes to the financial statements and other explanatory information****32 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

The following table shows the financial assets and liabilities measured at amortised cost on a recurring basis:

	<u>31 March 2022</u>	<u>31 March 2021</u>
	Amount in ₹ '000	Amount in ₹ '000
Financial assets		
Measured at FVTOCI		
Investment	7	7
Measured at amortised cost		
Loans	7,28,663	6,79,959
Trade receivables	12,412	58,323
Other financial assets	-	6,769
Cash and cash equivalents	920	1,702
	<u>7,42,002</u>	<u>7,46,760</u>
Financial liabilities		
Measured at amortised cost		
Borrowings	5,26,404	4,70,300
Trade payables	5,12,000	2,82,347
Other financial liabilities	61,932	30,156
	<u>11,00,336</u>	<u>7,82,803</u>

During the year ended 31st March 2022 and 31st March 2021 there was no transfer between level 2 and level 3 hierarchy.

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Eros International Films Private Limited

Notes to the financial statements and other explanatory information

33 Financial instruments and Risk management

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 34. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated at its office, in close cooperation with the board of directors and audit committee meetings. The most significant financial risks to which the Company is exposed are described below.

The Company has established objectives concerning the holding and use of financial instrument. The underlying basis of these objectives is to manage the financial risk faced by the Company.

Management of Capital Risk and Financial Risk

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. Net debt is calculated as borrowing (refer note 16) less cash and cash equivalent.

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

	As at 31 March 2022 (Amount in ₹ '000)	As at 31 March 2021 (Amount in ₹ '000)
Debt	5,26,404	4,70,300
Less: -Cash and cash equivalents	(920)	(1,702)
Net debt	<u>5,25,484</u>	<u>4,68,598</u>
Equity	<u>89,188</u>	<u>1,91,952</u>
Net debt to equity	<u>589%</u>	<u>244%</u>

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Eros International Films Private Limited

Notes to the financial statements and other explanatory information

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.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk exist mainly on account of borrowings of the Company. However, all these borrowings are at fixed interest rate and hence the exposure to change in interest rate is insignificant.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk as at the respective reporting dates. Therefore, the Company does not enters into forward exchange contracts to hedge against its foreign currency exposures relating to the recognised underlying assets and liabilities. The Company does not enter into any derivative instruments for trading or speculative purposes.

Particulars	Currency	Amount in foreign currency		Amount in reporting currency	
		Balance as on		Balance as on	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
Receivables		(Amount in ₹ '000)	(Amount in ₹ '000)	(Amount in ₹ '000)	(Amount in ₹ '000)
Trade Receivable	USD	-	723	-	52,917
Other financial assets	USD	-	93	-	6,769
Other current assets	USD	73	73	5,561	5,361
Other current liabilities	USD	14	14	1,093	1,054
Intangible assets under dev	USD	25	26	1,903.25	1,903
Intangible assets under dev	EUR	0	0	37	37
Other financial liabilities	USD	19	19	1,468	1,415

Foreign currency sensitivity

Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's overseas transactions, which are primarily denominated in US dollars (USD).

The below table demonstrates the sensitivity to a 10% increase or decrease in the foreign currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the unhedged exposure of the Company as at the reporting date. 10% represents management's assessment of reasonably possible change in foreign exchange rate.

If the INR had strengthened against the USD by 10% (2020-21: 10%), then this would have had the following impact:

Currency	Increase / (decrease) in profit or loss and Equity			
	10% Increase	10% decrease	10% Increase	10% decrease
	31 March 2022		31 March 2021	
USD	6,261	(6,261)	2,932	(2,932)
EUR	182	(182)	-	-

b Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. 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:	As at	As at
	31 March 2022	31 March 2021
	(Amount in ₹ '000)	(Amount in ₹ '000)
Trade receivables (refer note 10)	12,412	58,323
Loans (refer note 12)	7,28,663	6,79,959
	7,41,075	7,38,282

All trade receivables are related parties so the expose of significant credit risk is very low. The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Eros International Films Private Limited**Notes to the financial statements and other explanatory information****c Liquidity risk analysis**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March, 2022 and 31 March, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents.

31 March 2022	Current	
	Within 6 months (Amount in ₹ '000)	6 to 12 months (Amount in ₹ '000)
Other borrowings	-	5,26,404
Other financial liabilities	-	61,932
Trade and other payables	-	5,12,000
Total	-	11,00,336

This compares to the maturity of the Company's non-derivative financial liabilities in the previous reporting periods as follows:

31 March 2021	Current	
	Within 6 months (Amount in ₹ '000)	6 to 12 months (Amount in ₹ '000)
Other borrowings	-	4,70,300
Other financial liabilities	-	30,156
Trade and other payables	-	2,82,347
Total	-	7,82,803

This compares to the maturity of the Company's non-derivative financial liabilities in the previous reporting periods as follows:

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Eros International Films Private Limited

Notes to the financial statements and other explanatory information

34 Categories of financial assets and financial liabilities

	Carrying value/fair value		
	Financial	Financial	Total
	assets/liabilities at FVTPL (Amount in ₹ '000)	assets/liabilities at amortised cost (Amount in ₹ '000)	
31 March 2022			
Financial assets			
Investment	7	-	7
Loans	-	7,28,663	7,28,663
Trade receivables	-	12,412	12,412
Other financial assets	-	-	-
Cash and cash equivalents	-	920	920
	7	7,41,995	7,42,002
Financial liabilities			
Borrowings	-	5,26,404	5,26,404
Trade payables	-	5,12,000	5,12,000
Other financial liabilities	-	61,932	61,932
	-	11,00,336	11,00,336
31 March 2021			
Financial assets			
Investment	7	-	7
Loans	-	6,79,959	6,79,959
Trade receivables	-	58,323	58,323
Other financial assets	-	6,769	6,769
Cash and cash equivalents	-	1,702	1,702
	7	7,46,753	7,46,760
Financial liabilities			
Borrowings	-	4,70,300	4,70,300
Trade payables	-	2,82,347	2,82,347
Other financial liabilities	-	30,156	30,156
	-	7,82,803	7,82,803

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Eros International Films Private Limited**Notes to the financial statements and other explanatory information****35 Segment Reporting****Description of segment and principal activities**

The Company acquires and distributes Indian films in multiple formats worldwide. Film content is monitored and strategic decisions around the business operations are made based on the film content. Hence, Management identifies only one operating segment in the business, film content. As a result of these distribution activities, the management examines the performance of the business from a geographical market perspective.

	Year ended 31 March 2022	Year ended 31 March 2021
	(Amount in ₹ '000)	(Amount in ₹ '000)
Revenue by region of domicile of customer's location		
Rest of the world	-	53,253
India	1,20,000	4,892
Total revenue	1,20,000	58,145

Non-current assets other than financial instruments, investments accounted for using equity method and deferred tax

	31 March 2022	31 March 2021
	(Amount in ₹ '000)	(Amount in ₹ '000)
Non-current assets		
Rest of the world	-	-
India	21,454	21,456
	21,454	21,456

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Eros International Films Private Limited
Notes to the financial statements and other explanatory information

36 Contingent Liabilities and commitments (to the extent not provided for)

Contingent liabilities	Balance as on	
	31 March 2022 (Amount in ₹ '000)	31 March 2021 (Amount in ₹ '000)
<u>Claims against the company not acknowledged as debt</u>		
Sales tax claims disputed by the company	54,074	48,438
Service tax on non Theatrical sales	9,07,134	8,74,195
	9,61,208	9,22,633

a) The Cumulative total tax disputed of VAT and CST as at 31 March 2022 is ₹ 54,074 (Previous Year ₹ 51,456). In line with film industry consensus the Company is of the opinion that there are no grounds for levying VAT on film distribution activity. On 26 June 2014, the State Government has announced a VAT exemption on transfer of copyrights in cinematographic films for exhibition in theatres for the period from 1 April 2005 to 30 April 2011. Accordingly, the Company does not expect any outflow in respect of the above levy.

b) During the previous year ended 31 March 2015, the Company received a show cause notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 759,031 for the period 1 April 2009 to 31 March 2014 should not be levied on and paid by the Company for service tax arising on temporary transfer of copyright services and other matters against which the company has paid ₹ 28,463 as Service Tax Pre Deposit CESTAT (09-14). On 19 March 2015, the Company filed its objections against the said notice before the authorities. Considering the facts and nature of levies and the ad-interim protection for the period 1 July 2010 to 30 June 2012 granted by the Honorable High Court of Mumbai, the Company expects that the final outcome of this matter will be favorable. Accordingly, based on the assessment made after taking appropriate legal advice, no additional liability has been recorded in the financial statements.

c) On 18 April, 2016, the Company received a show cause notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 59,682 for the period 1 April 2014 to 31 March 2015 and ₹ 82,443 for the period 1 April 2015 to 31 March 2016 should not be levied on and paid by the Company for service tax arising on temporary transfer of copyright services and other matters. Considering the facts and nature of levies and the ad-interim protection for the period 1 July 2010 to 30 June 2012 granted by the Honorable High Court of Mumbai, the Company expects that the final outcome of this matter will be favorable. Accordingly, based on the assessment made after taking appropriate legal advice, no additional liability has been recorded in the financial statements.

d) From time to time, the Company is involved in legal proceedings arising in the ordinary course of its business, typically intellectual property litigation and infringement claims related to the Company's feature films and other commercial activities, which could cause the Company to incur expenses or prevent the Company from releasing a film. While the resolution of these matters cannot be predicted with certainty, the Company does not believe, based on current knowledge or information available, that any existing legal proceedings or claims are likely to have a material and adverse effect on its financial position, results of operations or cash flows.

(b) Commitments

Estimated amount of contracts remaining to be executed on film content advance	1,38,300	1,38,300
	1,38,300	1,38,300

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Eros International Films Private Limited
Notes to the financial statements and other explanatory information

	Year ended 31 March 2022 (Amount in ₹ '000)	Year ended 31 March 2021 (Amount in ₹ '000)
37 Auditors' remuneration		
As auditor		
Statutory audit	350	350
Tax audit	-	-
	<u>350</u>	<u>350</u>
In other capacity		
Other services (certification fees)	-	50
	<u>-</u>	<u>50</u>
Total	<u><u>350</u></u>	<u><u>400</u></u>

Based on the information available with the Company, there are no dues payable as at the year end to micro, small and medium enterprises as defined in The Micro, Small & Medium Enterprises Development Act, 2006. This information has been relied upon by the statutory auditors of the Company.

39 Ratios Analysis

Sr. No.	Particulars	FY 2021-22	FY 2020-21	% Changes	Remarks
1	Current Ratio	1.04	1.09	-4.29	
2	Debt Equity Ratio	5.90	2.45	140.90	Current year loss has eroded the equity resulting in incremental debt equity position
3	Debt Service Coverage Ratio	-0.72	1.53	-146.88	Current year loss has adversely impacted the debt service position
4	Return on Equity	-1.15	0.05	-2,360.99	Current year loss has impacted the return on equity
5	Inventory Turnover Ratio	1.60	NA	100.00	Current year inventory was acquired which was not sold at the end of the year resulting into increase
6	Trade Receivables Turnover Ratio	9.67	1.00	869.77	Recoverability from debtors has improved in the current financial year
7	Trade Payables Turnover Ratio	0.95	0.21	356.85	Inventory purchased during the year has not been sold resulting into non-realisation intum increased the trade payables
8	Net Capital Turnover Ratio	1.35	0.30	344.18	Current year loss has impacted the net capital turnover ratio
9	Net Profit Ratio	-0.86	0.17	-609.03	Due to loss in business operations profitability has been hampered
10	Return on Capital Employed	-0.19	-0.04	412.13	Current year loss has impacted the return on capital employed
11	Return on Investments	0.10	0.13	-21.47	

39.1 Formulae for computation of ratios are as follows

Sr. No.	Particulars	Formula
1	Current Ratio	Current Assets/Current Liabilities
2	Debt Equity Ratio	Total Debt/Total Equity
3	Debt Service Coverage Ratio	Earnings before Interest, Tax and Exceptional Items
4	Return on Equity Ratio	Profit After Tax (Attributable to Owners)/Average Net Worth
5	Inventory Turnover Ratio	Cost of Goods Sold
6	Trade Receivables Turnover	Value of Sales & Services/Average Trade Receivables
7	Trade Payables Turnover	Cost of Materials Consumed (after adjustment of RM)
8	Net Capital Turnover Ratio	Value of Sales & Services/Net Worth
9	Net Profit Ratio	Profit After Tax (after Exceptional items)/Value of Sales & Services
10	Return on Capital Employed	Net Profit After Tax + Deferred Tax Expense/(Income) +
11	Return on Investments	Other Income (Excluding Dividend) Average Cash, Cash Equivalents & Other Marketable

40 Other Statutory Information

- (i) As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.
- (ii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (iii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iv) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- (v) The Company have not traded or invested in Crypto currency or virtual currency during the financial year.

41 Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2022 and the date of authorisation of these Financial Statements.

42 The financial statements for the year ended 31 March 2022 were approved by the board of directors on May 28 , 2022

For Chaturvedi and Shah LLP

Chartered Accountants

Firm Registration No.: 101720W/W100355

For and on behalf of the Board of Directors

Amit Chaturvedi

Partner

Membership No: 103141

Sunil Lulla

Chairman

(DIN :- 00243191)

K. Anand Shankar

Director

(DIN :- 02942810)

Rajesh Chalke

Chief Financial Officer

Vijay Thaker

Company Secretary

Place: Mumbai

Date: 28 May 2022

Place: Mumbai

Date: 28 May 2022

Place: Mumbai

Date: 28 May 2022