

INDEPENDENT AUDITOR'S REPORT

To the Members of
EROS INTERNATIONAL FILMS PRIVATE LIMITED

Report on 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, 2020, the Statement of Profit and Loss, including 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.

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 ("Ind AS") specified under Section 133 of 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 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 ("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.

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 of Directors Report including Annexures, 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



Management 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 income, 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.


Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the 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 the 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 read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
- e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35 to the financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, and
 - There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

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


Amit Chaturvedi
Partner
Membership No. 103141
UDIN:- 20103141AAAAOZ7972



Place- Mumbai
Date: 28th July, 2020

"ANNEXURE A" TO 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 Fixed Assets :
- a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
 - b. As explained to us, all the fixed assets 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 had no immovable property during the year, clause (c) (i) of paragraph of the Order is not applicable to the Company.
- ii) In respect of its inventories:
- As the Company had no inventory during the year, clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- iii) In respect of loans, secured or unsecured granted by the Company to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act:
- a. In our opinion the terms and conditions of the grant of such loans are prima facie, not prejudicial to the company's interest.
 - b. The schedule of repayment of principal and interest has been stipulated wherein the principal and interest amounts are repayable on demand. Since the repayment of such loans has not been demanded, in our opinion, the repayment of the principal and interest amount is regular.
 - c. There is no overdue amount in respect of loans granted to such companies and firms.
- iv) In respect of loans, investments, guarantees and security, the Company has complied with the provisions of Section 185 and 186 of the Act.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are 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. Accordingly, the provision of clause 3(vi) of the order is not applicable.



vii) In respect of Statutory dues :

a. According to the records of the Company, undisputed statutory dues including goods and service tax, provident fund, income-tax, sales-tax, service tax, duty of customs, 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, 2020 for a period of more than six months from the date of becoming payable:-

Sr. No.	Name of Statute	Nature of Dues	Amount in ₹	Period to which amount relates	Due Date	Date of Payment
1	Finance Act, 1994	Service tax (SBC)	41,12,729	June, 2016	07-06-2016	Unpaid
2	Income Tax Act, 1961	Tax deducted at sources (TDS)	59,35,096	Financial Year 2019-20	Various dates	Paid at various dates between 1 st July, 2020 to 15 th July, 2020.
3	Income Tax Act, 1961	Interest on Tax deducted at sources (TDS)	9,18,457	Financial Year 2019-20	Various dates	Paid on 27 th July, 2020.

b. On the basis of our examination of accounts and documents on records of the Company and information and explanations given to us upon enquires in this regard, there are no disputed amounts payable in respect of goods and service tax, income tax, sales tax, service tax, duty and cess as applicable to it on account of any dispute, which have not been deposited except the disputed statutory dues aggregating to ₹92,26,33,085 on account of disputed matters pending before the appropriate authorities as under:

Sr. No	Name of Statute	Nature of Dues	Amount in ₹	Amount paid under protest	Period to which amount relates	Forum where dispute is Pending
1	Finance Act, 1994	Service tax, Penalties and interest	75,90,30,686	2,84,63,276	Various years from 2009-10 to 2013-14	CESTAT
			6,56,60,721	44,76,185	Financial year 2014-15	CESTAT
			8,24,43,058	-	Financial year 2015-16	CESTAT



2	Maharashtra Value Added Tax, 2002	Sales tax	23,32,318	-	Financial year 2008-09	Deputy Commissioner of sales tax (Appeals)
			74,40,187	-	Financial year 2009-10	Joint Commissioner of sales tax (Appeals)
			3,80,94,422	-	Financial year 2010-11	Joint Commissioner of sales tax (Appeals)
3	Central Sales Tax Act, 1956	Sales Tax	5,71,154	-	Financial year 2009-10	Joint Commissioner of sales tax (Appeals)
Total			95,55,72,546	3,29,39,461		

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions. The Company has not raised loans from banks or government or by issue of debentures.
- ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loan during the year and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- x) 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 by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, Section 197 of the Act is not applicable to the Company and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- 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 respect of transactions with related parties:
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 Ind AS.



- xiv) 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 of fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is 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) Based on information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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



Amit Chaturvedi
Partner

- Membership No. 103141
UDIN:- 20103141AAAAOZ7972



Place- Mumbai
Date: 28th July, 2020

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 Control over financial reporting of Eros International Films Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the 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 based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, 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, 2020, 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:- 20103141AAAAOZ7972



Place- Mumbai
Date: 28th July, 2020

Eros International Films Private Limited
Balance Sheet as at 31 March 2020

	Notes	As at 31 March 2020 Amount in ₹	As at 31 March 2019 Amount in ₹
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,892	7,454
Intangible assets			
a) Content advances	4	81,700,000	168,046,101
Financial assets			
a) Investments	5	7,002	7,002
b) Loans	6	-	1,749,170
Income tax assets (net)	7	24,184,123	17,635,717
Deferred tax assets	8	14,222,925	6,484,940
Other non-current assets	9	21,450,000	-
Current assets			
Financial assets			
a) Trade receivables	10	22,971,956	123,913,055
b) Cash and cash equivalents	11	794,945	587,868
c) Loans	6	660,206,374	510,156,665
d) Other financial assets	12	26,344,164	56,053,253
Other current assets	13	125,085,690	78,990,578
Total Assets		976,973,071	963,631,803
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	200,000,000	200,000,000
Other equity	15	(17,830,431)	4,847,311
		182,169,569	204,847,311
Current liabilities			
Financial liabilities			
a) Borrowings	16	413,500,000	373,500,000
b) Trade payables	17		
i) Total outstanding dues of MSME		-	-
ii) Total outstanding dues of creditors other than MSME		296,926,904	352,215,744
c) Other financial liabilities	18	49,502,406	1,531,241
Other current liabilities	19	18,412,651	15,075,966
Current tax liabilities	20	16,461,541	16,461,541
		794,803,502	758,784,492
Total Equity and Liabilities		976,973,071	963,631,803

Notes 1 to 39 form an integral part of these financial statements

As per our report of even date

For **Chaturvedi and Shah LLP**
Chartered Accountants
Firm Registration No.: 101720W/W/100355

Amit Chaturvedi

Amit Chaturvedi
Partner
Membership No: 103141

Place: Mumbai
Date: 28 July 2020



For and on behalf of the Board of Directors

Sunil Lulla
Sunil Lulla
Chairman
(DIN :- 00243191)

Farokh P. Gandhi
Farokh P. Gandhi
Group Chief Financial Officer (India)

Place: Mumbai
Date: 28 July 2020

K. Anand Shankar
K. Anand Shankar
Director
(DIN :- 02942810)

Vijay Thaker
Vijay Thaker
Company Secretary

Place: Mumbai
Date: 28 July 2020



Eros International Films Private Limited
Statements of Profit and Loss for the year ended 31 March 2020

	Notes	Year ended 31 March 2020 Amount in ₹	Year ended 31 March 2019 Amount in ₹
Revenue			
Revenue from operations (net)	21	46,845,068	123,913,055
Other income	22	106,939,429	93,925,313
Total revenue		153,784,497	217,838,368
Expenses			
Purchases/operating expenses	23	38,003,770	101,946,756
Finance costs	24	54,638,636	64,396,139
Depreciation and amortisation expense	25	1,562	1,977
Other expenses	26	3,991,120	3,522,243
Total expenses		96,635,088	169,867,115
Profit before exceptional items and tax		57,149,409	47,971,253
Exceptional items			
Impairment of content advance	27	86,346,101	-
(Loss)/profit before tax		(29,196,692)	47,971,253
Tax expense			
Current tax	28	-	10,386,335
Deferred tax		(7,737,984)	315,624
Mat credit utilized		-	3,194,426
Short/(excess) provision for tax of earlier years		1,219,034	-
		(6,518,950)	13,896,385
(Loss)/profit for the year after tax		(22,677,742)	34,074,868
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		-	-
(ii) Items that will be reclassified to profit or loss		-	-
Total Comprehensive (loss)/Income for the year		(22,677,742)	34,074,868
Earnings per equity share of ₹ 10 each:			
- Basic (In ₹)	29	(1.13)	1.70
- Diluted (In ₹)	29	(1.13)	1.70

Notes 1 to 39 form an integral part of these financial statements

As per our report of even date

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



Amit Chaturvedi
Partner
Membership No: 103141

Place: Mumbai
Date: 28 July 2020



For and on behalf of the Board of Directors



Sunil Lulla
Chairman
(DIN :- 00243911)

Farokh P. Gandhi
Group Chief Financial Officer (India)

Place: Mumbai
Date: 28 July 2020



K. Anand Shankar
Director
(DIN :- 02942810)

Vijay Thaker
Company Secretary

Place: Mumbai
Date: 28 July 2020



Eros International Films Private Limited
Statements of Cash Flow for the year ended 31 March 2020

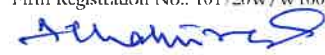
	Year ended 31 March 2020 Amount in ₹	Year ended 31 March 2019 Amount in ₹
Cash flow from operating activities		
Profit before tax	(29,196,692)	47,971,253
Adjustments for non-cash transactions:		
Depreciation	1,562	1,977
Finance costs	54,638,636	64,396,139
Interest income on advance	(63,596,795)	(84,436,220)
Impairment of content advance	86,346,101	-
Balance written off	(871,502)	(2,600)
Unrealised foreign exchange	(11,263,864)	1,429,961
Operating profit before working capital changes	36,057,446	29,360,510
Movements in working capital:		
(Decrease)/increase in trade payables	(54,300,888)	11,259,881
(Decrease)/increase in other current liabilities	2,943,368	9,901,311
Decrease/(increase) in trade receivable	100,941,099	(125,343,016)
(Increase)/decrease in Other financial assets	37,182,530	(21,582,852)
(Decrease) in other financial liabilities	3,220,149	(664,324)
(Increase)/ Decrease in long term loans and advances	1,749,170	-
Decrease/(increase) in other current assets	(45,109,669)	45,346,936
(Increase) in other non-current assets	(21,450,000)	-
Cash (used in)/generated from operations	61,233,205	9,519,177
Taxes (paid)/refund received (net)	(7,767,442)	(14,327,751)
Net cash (used in)/generated from operating activities	53,465,763	(4,808,574)
Cash flow from investing activities		
Loan and advances given	(86,452,914)	61,240,731
Interest received	-	45,787,947
Net cash generated/(used in) from investing activities	(86,452,914)	45,787,947
Cash flows from financing activities		
Proceeds from short-term borrowings	50,000,000	22,000,000
Repayment of short-term borrowings	(10,000,000)	-
Finance costs	(6,805,772)	(63,217,398)
Net cash generated from/(used in) financing activities	33,194,228	(41,217,398)
Net (decrease)/increase in cash and cash equivalents	207,077	(238,025)
Cash and cash equivalents at the beginning of the year	587,868	825,893
Cash and cash equivalents at the end of the year	794,945	587,868

Notes 1 to 39 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 and Shah LLP**
Chartered Accountants
Firm Registration No.: 101720W/W/100355



Amit Chaturvedi
Partner
Membership No: 103141


Place: Mumbai
Date: 28 July 2020



For and on behalf of the Board of Directors



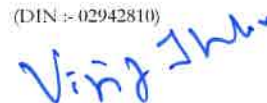
Sunil Lulla
Chairman
(DIN :- 00243191)


Farokh P. Gandhi
Group Chief Financial Officer (India)

Place: Mumbai
Date: 28 July 2020



K. Anand Shankar
Director
(DIN :- 02942810)



Vijay Thaker
Company Secretary

Place: Mumbai
Date: 28 July 2020



Eros International Films Private Limited
Statements of Changes in Equity for the year ended 31 March 2020

A. Equity Share Capital

	Number	Amount in ₹
Balance as at 1 April 2018	20,000,000	200,000,000
Changes in equity share capital during the year	-	-
Balance as at 31 March 2019	20,000,000	200,000,000
Changes in equity share capital during the year	-	-
Balance as at 31 March 2020	20,000,000	200,000,000

B. Other Equity

	Retained Earnings	Total
	Amount in ₹	Amount in ₹
Balance at the 1 April 2018	(29,227,557)	(29,227,557)
Profit for the year	34,074,868	34,074,868
Other comprehensive income for the year	-	-
Balance at 31 March 2019	4,847,311	4,847,311
Profit for the year	(22,677,742)	(22,677,742)
Other comprehensive income for the year	-	-
Balance as at 31 March 2020	(17,830,431)	(17,830,431)

As per our report of even date

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

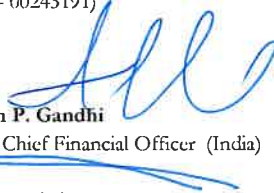


Amit Chaturvedi
Partner
Membership No: 103141

For and on behalf of the Board of Directors



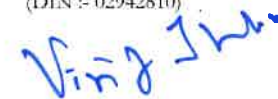
Sunil Lulla
Chairman
(DIN :- 00243191)



Farokh P. Gandhi
Group Chief Financial Officer (India)



K. Anand Shankar
Director
(DIN :- 02942810)



Vijay Thaker
Company Secretary

Place: Mumbai
Date: 28 July 2020



Place: Mumbai
Date: 28 July 2020

Place: Mumbai
Date: 28 July 2020



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

Significant accounting policies and other explanatory information

Note 1: Corporate Information

Eros International Films Private Limited (the 'Company') was incorporated in India, under the Companies Act, 1956. The Company deals in the Indian media and entertainment industry and is primarily engaged in the business of film production, distribution and incidental activities.

These separate financial statements were authorised for issue in accordance with a resolution passed in the Board of Directors meeting held on 28 July 2020.

Note 2: Significant Accounting Policies

(i) Basis of preparation

The separate financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Act (as amended from time to time).

The financial statements have been prepared on accrual basis of accounting using historical cost basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company considers 12 months to be its normal operating cycle.

(ii) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2020:

(iii) Summary of 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.

Significant Accounting Policies

(a) Revenue recognition

Revenue is recognized on delivery of content to customers, on the basis of monthly log reports received from customers as per contracted terms. Revenue from rendering of services is recognized by measuring the progress towards complete satisfaction of performance obligation at the reporting period. The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

- Sale of film rights: Sale of new film/serial rights is recognised on effective delivery of materials to customers as per terms of the sale agreements. Sale of old film/serial rights is recognised when rights are sold as per the sale agreements and effective delivery is made.
- Non-operating income: Non-operating income represents commission on advertisement expenditure received from related party on incurrence of expenses for it by the Company. Revenue is recognised on receipt of confirmation from the related party or over the period of the contract or on completion of the Company's obligation, as applicable.
- Interest income is recognized using the effective interest rate method.



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

(b) Property, plant and equipment and depreciation

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment comprises of its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and borrowing costs for assets that necessarily take a substantial period of time to get ready for their intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Depreciation is provided under written down value method at the rates and in the manner prescribed under Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

(c) Intangible assets

Advances are paid to producers/owners of films and artists, in terms of the agreements entered into with them, for acquisition of associated rights. All advances are reviewed by the management periodically, considering facts of each case, to determine recoverability.

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).

Investments in films and associated rights, including acquired rights and distribution advances in respect of completed films, are stated at cost less amortisation less provision for impairment. Costs include production costs, overhead and capitalised interest costs net of any amounts received from third party investors. A charge is made to

write down the cost of completed rights over the estimated useful lives, writing off more in year one which recognises initial income flows and then the balance over a period of up to nine years, except where the asset is not yet available for exploitation. The average life of the assets is the lesser of 10 years or the remaining life of the content rights. The amortisation charge is recognised in the statement of profit and loss within cost of sales. 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.

(d) Impairment of non-financial assets

At each reporting date, 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 both internal and external indicates that the carrying amount may not be recoverable. An impairment loss is recognised 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.



Eros International Films Private Limited

Summary of significant accounting policies and other explanatory information

Film and content rights are stated at the lower of unamortised 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 recognised 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 recognised may no longer exist.

(e) Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the statement of profit and loss within finance costs over the period of the borrowings using the effective interest method. Finance costs in respect of film productions and other assets which take a substantial period of time to get ready for use or for exploitation are capitalised as part of the assets. All other borrowing costs are recognised as expense in the period in which they are incurred and charged to the statement of profit and loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(f) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligations and can be reliably measured. Provisions are measured at Management's best estimate of the expenditure required to settle the obligations at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are not recognised in the financial statements but are disclosed by way of notes to accounts unless the possibility of an outflow of economic resources is considered remote.

Contingent assets are not recognised in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

(g) 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), which is Company's functional and presentation currency.

(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 statement of profit and loss.

(h) Taxes

Taxation on profit and loss comprises current tax and deferred tax. Tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income in which case tax impact is also recognised in equity or other comprehensive income.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date along with any adjustment relating to tax payable in previous years.



Eros International Films Private Limited

Summary of significant accounting policies and other explanatory information

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax is not recognised for all taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit entitlement is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, which is the period for which MAT credit is allowed to be carried forward. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise all or part of the deferred tax asset. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will be available to utilise the deferred tax asset.

(i) Earnings per share

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

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

(j) 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 are shown within borrowings in current liabilities on the balance sheet.

(k) Financial instrument:

Financial assets

Initial recognition and measurement

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through statement of profit and loss, which are initially measured at fair value, excluding transaction costs (which is recognised in statement of profit and loss).



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

Subsequent measurement

- **Financial Assets at amortised cost:**
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- **Financial assets at fair value through other comprehensive income (FVTOCI):**
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- **Financial assets at fair value through statement of profit and loss (FVTPL):**
Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVTOCI) are measured at fair value through statement of profit and loss. Gain and losses on fair value of such instruments are recognised in statement of profit and loss. Interest income from these financial assets is included in other income.

Impairment of financial assets: -

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit loss ('ECL') impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and other contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Financial liabilities are classified as either 'financial liabilities at fair value through statement of profit and loss' or 'other financial liabilities'. Financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through statement of profit and loss.

Financial liabilities at fair value through statement of profit and loss are stated at fair value. Any gains or losses arising of held for trading financial liabilities are recognised in statement of profit and loss. Such gains or losses incorporate any interest paid and are included in the "other gains and losses" line item.

Other financial liabilities (including borrowing and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial instruments

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.



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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(l) Segment reporting

Ind-AS 108 Operating Segments (“Ind-AS 108”) requires operating segments to be identified on the same basis as is used internally for the review of performance and allocation of resources by the Chief Operating Decision Maker. The revenues of films are earned over various formats; all such formats are functional activities of filmed entertainment and these activities take place on an integrated basis. The management team reviews the financial information on an integrated basis for the Company as a whole, with respective heads of business for each region and in accordance with Ind-AS 108, the Company provides a geographical split as it considers that all activities fall within one segment of business which is filmed entertainment. The management team also monitors performance separately for individual films or for at least 12 months after the theatrical release.

The Company has identified three geographic markets: India, UK and Rest of the world.

(m) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

In line with the amendments to Ind AS 7 Statement of Cash flows (effective from 1 April 2017), the Company has provided disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The adoption of amendment did not have any material impact on the financial statements.

(n) Dividends

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(o) Event occurring after the reporting date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognised in the financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors’ Report.

(p) Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and reviewed at each balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures.

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.



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

Property, plant and equipment are depreciated over the estimated useful lives of the assets. Management reviews the estimated useful lives of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

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 the credit rating of the counterparty, 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 recognised 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.

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 the shorter. These judgments are used to determine the amortisation of capitalised film content costs. The Company uses a stepped method of amortisation on first release film content writing off more in year one which recognises initial income flows and then the balance over a period of up to nine years.

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.

Intangible assets are tested for impairment in accordance with the accounting policy. These calculations require judgments and estimates to be made, and in the event 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.



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

(Amount in ₹)

3 Property, plant and equipment

Gross carrying amount	Furniture and fixtures	Motor Vehicles	Office equipment	Data processing equipment	Studio equipment	Total
Balance as at 1 April 2018	837,210	-	137,655	340,409	10,628,151	20,803,467
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 31 March 2019	837,210	-	137,655	340,409	10,628,151	11,943,425
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 31 March 2020	837,210	-	137,655	340,409	10,628,151	11,943,425
Accumulated depreciation						
Balance as at 1 April 2018	837,210	-	137,655	340,409	10,618,720	19,911,646
Depreciation charge	-	-	-	-	1,977	1,977
Disposals	-	-	-	-	-	-
Balance as at 31 March 2019	837,210	-	137,655	340,409	10,620,697	11,935,971
Depreciation charge	-	-	-	-	1,563	1,563
Disposals	-	-	-	-	-	-
Balance as at 31 March 2020	837,210	-	137,655	340,409	10,622,259	11,937,533
Net carrying amount						
Balance as at 31 March 2019	-	-	-	-	7,454	7,454
Balance as at 31 March 2020	-	-	-	-	5,892	5,892

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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 ₹)

	Content advances	Total
Balance as at 1 April 2018	168,046,101	168,046,101
Additions	-	-
Disposals	-	-
Balance as at 31 March 2019	168,046,101	168,046,101
Additions	-	-
Disposals	-	-
Impairment	(86,346,101)	(86,346,101)
Balance as at 31 March 2020	81,700,000	81,700,000
Balance as at 31 March 2019	168,046,101	168,046,101
Balance as at 31 March 2020	81,700,000	81,700,000

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

	As at 31 March 2020 (Amount in ₹)	As at 31 March 2019 (Amount in ₹)
5 Investment		
Non - current investments		
Investment carried at FVTOCI		
Unquoted equity shares		
Eros Animation Private Limited	7,000	7,000
(700 (31 March 2017: 700) equity shares of Rs 10 each, fully paid-up)		
Eros Digital Private Limited	1	1
(20 (31 March 2017: 20) equity shares of Rs. 10 each face value, fully paid-up)		
Triple Com Media Private Limited		
(200,000 (31 March 2017 : 200,000) equity shares of Rs 10 each, fully paid-up)	1	1
Total	<u>7,002</u>	<u>7,002</u>
Aggregate amount of unquoted investment	7,002	7,002
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Eros International Films Private Limited
Notes to the financial statements and other explanatory information

	As at 31 March 2020		As at 31 March 2019	
	Non Current	Current	Non Current	Current
	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
6 Loans				
Unsecured, considered good				
Loan to related parties (refer note 30)	-	660,206,374	1,749,170	510,156,665
Total	-	660,206,374	1,749,170	510,156,665

	As at	As at
	31 March 2020	31 March 2019
	(Amount in ₹)	(Amount in ₹)
7 Income tax assets (net)		
Income tax (net)	24,184,123	17,635,717
Total	24,184,123	17,635,717

	As at	As at
	31 March 2020	31 March 2019
	(Amount in ₹)	(Amount in ₹)
8 Deferred tax assets (net)		
Deferred tax liability on		
Depreciation on tangible assets	8,134,351	396,366
MAT credit recoverable	6,088,574	6,088,574
Total	14,222,925	6,484,940

	As at	As at
	31 March 2020	31 March 2019
	(Amount in ₹)	(Amount in ₹)
9 Other non-current assets		
Prepaid expenses	21,450,000	-
Total	21,450,000	-

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

	As at 31 March 2020 (Amount in ₹)	As at 31 March 2019 (Amount in ₹)
10 Trade receivables		
Unsecured, considered good		
Dues from related parties (refer note 30)	22,971,956	123,913,055
Less:- Allowance for doubtful trade receivable	-	-
Total	22,971,956	123,913,055
The net carrying value of the trade receivable is considering a reasonable approximation of fair value.		
11 Cash and cash equivalents		
Cash on hand	362,891	260,871
Balances with banks		
In current account	432,054	326,997
Total	794,945	587,868
12 Other financial assets		
Other receivable		
Unsecured, considered good		
Dues from related parties (refer note 30)	26,344,164	56,053,253
Total	26,344,164	56,053,253
13 Other current assets		
Advance to related party (refer note 30)	5,522,099	5,076,169
Prepaid expenses	-	116,450
Advance to vendor	6,180,000	-
Balance with statutory authorities	113,383,591	73,797,960
Total	125,085,690	78,990,578

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

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount in ₹	Number	Amount in ₹
14 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	20,000,000	200,000,000	20,000,000	200,000,000
	<u>20,000,000</u>	<u>200,000,000</u>	<u>20,000,000</u>	<u>200,000,000</u>
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	20,000,000	200,000,000	20,000,000	200,000,000
Total	<u>20,000,000</u>	<u>200,000,000</u>	<u>20,000,000</u>	<u>200,000,000</u>

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

	Number	Number
Equity shares		
At the commencement of the period	20,000,000	20,000,000
Add:- share issue during the year	-	-
At the end of the period	<u>20,000,000</u>	<u>20,000,000</u>

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 2020		As at 31 March 2019	
	Number of shares held	Amount in ₹	Number of shares held	Amount in ₹
Eros International Media Limited - Holding Company	19,930,300	199,303,000	19,930,300	199,303,000
Eros Digital Private Limited - Subsidiary of Step up Holding Company	69,700	697,000	69,700	697,000

* 69,700 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)

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	% holding	Number of shares held	% holding
Eros International Media Limited - Holding Company	19,930,300	99.65	19,930,300	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)

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

	As at 31 March 2020 (Amount in ₹)	As at 31 March 2019 (Amount in ₹)
15 Other equity		
Deficit in the statement of profit and loss		
Balance at the beginning of the year	4,847,311	(29,227,557)
Add: Net profit for the year	(22,677,742)	34,074,868
Balance at the end of the year	(17,830,431)	4,847,311
16 Short term borrowing		
Secured		
Term loan from others*	413,500,000	373,500,000
Total	413,500,000	373,500,000
*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.		
17 Trade payables		
Payable to MSME	-	-
Payable to other than MSME	296,926,904	352,215,744
Total	296,926,904	352,215,744
The carrying value of trade payable is considering to be a reasonable approximation of fair value.		
18 Other financial liabilities		
Unsecured, considered good		
Dues from related parties (refer note 30)	1,458,054	-
Interest accrued but not due on borrowings	47,409,352	1,178,741
Payables for expenses	635,000	352,500
Total	49,502,406	1,531,241
19 Other current liabilities		
Advances from customers - including related parties	1,385,312	997,669
Book overdraft	-	9,450,140
Duties and taxes payable	17,027,339	4,628,158
Total	18,412,651	15,075,966
20 Current tax liabilities		
Provision for corporate taxes (net)	16,461,541	16,461,541
Total	16,461,541	16,461,541

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

	Year ended 31 March 2020 (Amount in ₹)	Year ended 31 March 2019 (Amount in ₹)
21 Revenue from operations (net)		
Revenue from sale of film rights	46,845,068	123,913,055
Total	46,845,068	123,913,055
22 Other income		
Other non-operating income	31,090,818	9,486,493
Gain on foreign currency transactions and translation (net)	11,263,864	-
Interest income on advance	63,596,795	84,436,220
Sundry balances written back	987,952	2,600
Total	106,939,429	93,925,313
23 Purchases/ operating expenses		
Film rights cost	38,000,000	101,931,956
Consumption Of raw materials	3,770	14,800
Total	38,003,770	101,946,756
24 Finance costs		
Interest expenses	53,319,987	62,891,870
Interest on late payment of taxes	1,318,649	1,504,269
Total	54,638,636	64,396,139
25 Depreciation expenses		
Depreciation of property plant and equipment (refer note 3)	1,562	1,977
Total	1,562	1,977

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

	Year ended 31 March 2020 (Amount in ₹)	Year ended 31 March 2019 (Amount in ₹)
26 Other expenses		
Shipping, Packing & Forwarding Expenses	8,340	28,985
Payments to auditors (refer note 36)	610,000	261,835
Processing and other direct cost	219,250	453,500
Subscription and membership fees	62,000	60,000
Travelling and conveyance	33,280	126,160
Legal and professional expenses	140,435	827,700
Rates and taxes	26,280	52,340
Bank charges	274,253	21,317
balance written off	116,450	-
Net loss on foreign currency transactions and translation	-	308,596
Director sitting fees	180,000	140,000
Administrative expenses	1,200,000	1,200,000
Miscellaneous expenses	1,120,832	41,810
Total	3,991,120	3,522,243

27 Exceptional items

Impairment of content advance(^)	86,346,101	-
	86,346,101	-

(^) 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 86,346,101 and disclosed the same under the exceptional item.

28 Income tax expenses

Current tax

Current period		
Current tax on profit	-	13,580,761
Income tax expenses for previous year	1,219,034	

Deferred tax assets

Depreciation on tangible assets	73,566	315,624
Loss for the year	7,811,550	-
	6,518,950	13,896,385

Reconciliation of effective tax rate

The Company has accumulated business losses which are adjusted against companies current year's income, therefore resulting into nil tax liability. Hence, no reconciliation between the statutory income tax rate applicable to the company and effective income tax rate is prepared.

29 Earnings per share (EPS)

a) Computation of net profit for the year

Profit/(loss) after tax attributable to equity shareholders	(22,677,742)	34,074,868
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b) Computation of number of shares for basic earnings per share

Weighted average number of equity shares	20,000,000	20,000,000
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c) Computation

Basic and diluted EPS (face value ₹ 10 each)	(1.13)	1.70
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Eros International Films Private Limited
Notes to the financial statements and other explanatory information

30 Related party disclosures

a) Names of related parties

Relationship	Name
Ultimate Holding Company	Eros International PLC, Isle of Man
Step up Holding Company	Eros Worldwide FZ-LLC, Dubai
Holding Company	Eros International Media Limited
Entities under common control	Eros International Limited, UK Eros Digital FZ - LLC, Dubai
Key Management Personnel (KMP)	Mr. Sunil Lulla – Director Mr. K. Anand Shankar - Director Mr. Farokh P. Gandhi - Chief Financial Officer
Firm in which KMP / Relatives of KMP can exercise significant influence	Shivam Enterprises

Percentage number of share held by related parties

	As at 31 March 2020 %	As at 31 March 2019 %
Eros International Media Limited - Holding Company	99.65 ^o	99.65 ^o
Eros Digital Private Limited - Subsidiary of Step up Holding Company	0.35 ^o	0.35 ^o
Total	100^o	100^o

b) Transactions with related parties

	Year ended 31 March 2020 (Amount in ₹)	Year ended 31 March 2019 (Amount in ₹)
Sale of film rights		
Eros International Media Limited	6,840,000	16,131,956
Eros Worldwide FZ-LLC, Dubai	40,005,068	107,781,099
Total	46,845,068	123,913,055
Interest income on advance		
Eros International Media Limited	63,596,795	78,236,220
Total	63,596,795	78,236,220
Administrative expenses		
Eros International Media Limited	1,200,000	1,200,000
Total	1,200,000	1,200,000
Re-imbursment of expenses		
Eros Worldwide FZ-LLC, Dubai	207,864,735	26,864,790
Eros Digital FZ-LLC, Dubai	6,113,250	38,424,597
Total	213,977,985	65,289,387

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

	Year ended 31 March 2020 (Amount in ₹)	Year ended 31 March 2019 (Amount in ₹)
Trade advance received		
Eros International Media Limited	-	331,322,232
Eros International Limited, UK	-	997,669
Eros Digital FZ-LLC, Dubai	2,937,649	-
Total	2,937,649	332,319,901
Trade advance given/repayment		
Eros International Media Limited	527,393,240	232,877,938
Total	527,393,240	232,877,938
Repayment of advance given		
Eros International Media Limited	433,284,645	-
Total	433,284,645	-
Repayment of loans - non current assets given		
Shivam Enterprises	1,749,170	-
Total	1,749,170	-
	As at 31 March 2020 (Amount in ₹)	As at 31 March 2019 (Amount in ₹)
c) Balances with related parties		
Loan - current assets		
Eros International Media Limited	660,206,375	510,156,665
Total	660,206,375	510,156,665
Loans - non current assets		
Shivam Enterprises	-	1,749,170
Total	-	1,749,170
Trade receivables		
Eros Worldwide FZ LLC, Dubai	-	107,781,099
Eros International Media Limited	22,971,956	16,131,956
Total	22,971,956	123,913,055
Other financial assets		
Eros Worldwide FZ LLC, Dubai	26,344,164	18,708,170
Eros Digital FZ-LLC, Dubai	-	37,345,082
Total	26,344,164	56,053,252
Other current assets		
Eros International Limited, UK	5,522,099	5,076,169
Total	5,522,099	5,076,169
Other financial liabilities		
Eros Digital FZ-LLC, Dubai	1,458,054	-
Total	1,458,054	-
Other current liabilities		
Eros International Limited, UK	1,085,312	997,669
Total	1,085,312	997,669

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

31 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 30. 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:

	<u>As at</u> <u>31 March 2020</u> <u>(Amount in ₹)</u>	<u>As at</u> <u>31 March 2019</u> <u>(Amount in ₹)</u>
Debt	413,500,000	373,500,000
Less: -Cash and cash equivalents	<u>(794,945)</u>	<u>(587,868)</u>
Net debt	412,705,055	372,912,132
Equity	<u>182,169,569</u>	<u>204,847,311</u>
Net debt to equity	<u>227^o</u>	<u>182^o</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 2020	31 March 2019	31 March 2020	31 March 2019
		(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
Receivables					
Trade receivable	USD	-	1,555,703	-	107,781,099
Other financial assets	USD	349,543	809,068	26,344,164	56,053,253
Other current assets	USD	73,269	73,269	5,522,099	5,076,169
Other current liabilities	USD	14,400	14,400	1,085,312	997,669
Other financial liabilities	USD	19,346	-	1,458,054	-

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% (2018-19: 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 2020		31 March 2019	
USD	2,932,290	(2,932,290)	16,791,285	(16,791,285)

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 2020	31 March 2019
	(Amount in ₹)	(Amount in ₹)
Trade receivables (refer note 10)	22,971,956	123,913,055
Loans (refer note 6)	660,206,374	511,905,835
	683,178,330	635,818,890

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, 2020 and 31 March, 2019. 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.

As at 31 March 2020, 31 March 2019 the Company's financial liabilities have contractual maturities (including interest payments where applicable) are less than a year.

31 March 2020	Current	
	Within 6 months (Amount in ₹)	6 to 12 months (Amount in ₹)
Other borrowings	-	413,500,000
Other financial liabilities	-	49,502,406
Trade and other payables	-	296,926,904
Total	-	759,929,310

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

31 March 2019	Current	
	Within 6 months (Amount in ₹)	6 to 12 months (Amount in ₹)
Other borrowings	-	373,500,000
Other financial liabilities	-	1,531,241
Trade and other payables	-	352,215,744
Total	-	727,246,985

This compares to the maturity of the Company's non-derivative financial liabilities in the previous reporting periods as
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Eros International Films Private Limited
Notes to the financial statements and other explanatory information

32 Categories of financial assets and financial liabilities

	Carrying value/fair value		
	Financial assets/liabilities at FVTPL	Financial assets/liabilities at amortised cost	Total
	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
31 March 2020			
Financial assets			
Investment	7,002	-	7,002
Loans	-	660,206,374	660,206,374
Trade receivables	-	22,971,956	22,971,956
Other financial assets	-	26,344,164	26,344,164
Cash and cash equivalents	-	794,945	794,945
	7,002	710,317,439	710,324,441
Financial liabilities			
Borrowings	-	413,500,000	413,500,000
Trade payables	-	296,926,904	296,926,904
Other financial liabilities	-	49,502,406	49,502,406
	-	759,929,310	759,929,310

	Carrying value/fair value		
	Financial assets/liabilities at FVTPL	Financial assets/liabilities at amortised cost	Total
	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
31 March 2019			
Financial assets			
Investment	7,002	-	7,002
Loans	-	511,905,835	511,905,835
Trade receivables	-	123,913,055	123,913,055
Other financial assets	-	56,053,253	56,053,253
Cash and cash equivalents	-	587,868	587,868
	7,002	692,460,011	692,467,013
Financial liabilities			
Borrowings	-	373,500,000	373,500,000
Trade payables	-	352,215,744	352,215,744
Other financial liabilities	-	1,531,241	1,531,241
	-	727,246,985	727,246,985

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

33 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:

	31 March 2020	31 March 2019
	Amount in ₹	Amount in ₹
Financial assets		
Measured at FVTOCI		
Investment	7,002	7,002
Measured at amortised cost		
Loans	660,206,374	511,905,835
Trade receivables	22,971,956	123,913,055
Other financial assets	26,344,164	56,053,253
Cash and cash equivalents	794,945	587,868
	710,324,441	692,467,013
Financial liabilities		
Measured at amortised cost		
Borrowings	413,500,000	373,500,000
Trade payables	296,926,904	352,215,744
Other financial liabilities	49,502,406	1,531,241
	759,929,310	727,246,985

During the year ended 31st March 2019 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

34 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.

	<u>Year ended 31 March 2020</u>	<u>Year ended 31 March 2019</u>
	(Amount in ₹)	(Amount in ₹)
Revenue by region of domicile of customer's location		
Rest of the world	40,005,068	117,267,591
India	6,840,000	100,570,777
Total revenue	<u><u>46,845,068</u></u>	<u><u>217,838,368</u></u>

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

	<u>31 March 2020</u>	<u>31 March 2019</u>
	(Amount in ₹)	(Amount in ₹)
Non-current assets		
Rest of the world	-	31,397,657
India	21,455,892	136,655,898
	<u><u>21,455,892</u></u>	<u><u>168,053,555</u></u>

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

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

Contingent liabilities	Balance as on	
	31 March 2020 (Amount in ₹)	31 March 2019 (Amount in ₹)
<u>Claims against the company not acknowledged as debt</u>		
Sales tax claims disputed by the company	48,438,081	117,561,571
Service tax on non Theatrical sales	874,195,004	907,134,465
	922,633,085	1,024,696,036

a) The Cumulative total tax disputed of VAT and CST as at 31 March 2020 is Rs 48,438,081 (Previous Year Rs 117,561,571). 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 ₹ 759,030,686 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 Rs. 2,84,63,276/- 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 advise, 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 ₹ 5,96,82,474 for the period 1 April 2014 to 31 March 2015 and ₹ 82,443,058 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 advise, 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	138,300,000	138,300,000
	138,300,000	138,300,000
Total	1,060,933,085	1,162,996,036



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


	Year ended 31 March 2020 (Amount in ₹)	Year ended 31 March 2019 (Amount in ₹)
36 Auditors' remuneration		
As auditor		
Statutory audit (including IICOFIR)	350,000	300,000
Tax audit	100,000	75,000
	450,000	375,000
In other capacity		
Other services (certification fees)	50,000	55,000
	50,000	55,000
Reimbursement of expenses	-	42,000
	-	42,000
Total	500,000	472,000

37 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.


38 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.


39 The financial statements for the year ended 31 March 2020 were approved by the board of directors on 28 July 2020

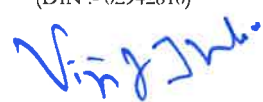
For **Chaturvedi and Shah LLP**
Chartered Accountants
Firm Registration No.: 101720W/W100355

Amit Chaturvedi
Partner
Membership No: 103141

For and on behalf of the Board of Directors


Sunil Lulla
Chairman
(DIN :- 00243191)


K. Anand Shankar
Director
(DIN :- 02942810)


Farokh P. Gandhi
Group Chief Financial Officer (India)


Vijay Thaker
Company Secretary

Place: Mumbai
Date: 28 July 2020

Place: Mumbai
Date: 28 July 2020

Place: Mumbai
Date: 28 July 2020

