

## INDEPENDENT AUDITOR'S REPORT

To the Members of ErosNow Private Limited

Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the accompanying financial statements of ErosNow Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion section of our report, 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 accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2024, its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

We draw attention to the following matters in the notes to financial statements:

1. Note 37 regarding loans given to and trade receivable from its Holding Company. The Company has given loans to its Holding Company amounting to Rs. 2,520 Lakhs. Further, the Company has trade receivable of Rs. 123 Lakhs from its Holding Company. Net Worth of the Holding Company has been eroded and the Holding Company has incurred losses during the current financial year. Basis the matter of facts stated as above with respect to financial viability of the Holding Company and as further explained in the aforesaid note, we were unable to comment on the extent of the recoverability of the carrying value of the above loans and trade receivables and the consequential impact on the loss and the other equity in the financial statements.
2. Note 37 regarding no provision being created by the Company in respect of its receivables amounting to Rs. 2,643 Lakhs from the Holding Company as per expected credit loss (ECL) in accordance with IND AS 109 Financial Instruments. The management considers that since the receivables are from the Holding Company, they are good and fully recoverable and hence no provision is required in respect of said receivables. Consequently, the Provision for Expected Credit Loss, Loss for the year ended March 31, 2024 and other equity as on March 31, 2024 is understated to that extent.



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We conducted our audit in accordance with 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 Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

## Material Uncertainty Related to Going Concern

We draw attention to Note 38 in the financial statements, which indicates that the Company's net worth is negative as on March 31, 2024 and as of that date the current liabilities exceed its current assets by Rs. 6,589 Lakhs. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The assumption of going concern is subject to the Company's proposal to raise funds and other strategic initiatives to increase revenue. The financial statements have been prepared on going concern basis and does not include any adjustment in this respect.

Our opinion is not modified in respect of this matter.

## Emphasis of Matter

We draw attention to Note 39 of the Financial Statements, the company has shown Goods and Service Tax Input Credit (Asset Balance) of Rs. 131 Lakhs, and however the balance as per electronic cash and credit ledger is Rs. 10.08 Lakhs. The Company is in the process of reconciling the same.

Our opinion is not modified in respect of this matter.

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. The Director's Report is expected to be made available to us after the date of this auditor's report.

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 when it becomes available 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.



When we read the Director's Report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

## **Responsibilities of Management and Those Charged with Governance 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed 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 provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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.

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

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

## Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



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

- a. We have sought and, except for the matters described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for
  - back-up to be done on a daily basis of the books of account and other books and papers of the Company maintained in electronic mode as per proviso to Rule 3(5) of the Companies (Accounts) Rules, 2014; and
  - the matters stated in paragraph 2(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d. Except for the effects/ possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. The matters described under Basis for Qualified Opinion section, Material Uncertainty related to Going Concern and Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company;
- f. On the basis of the written representations received from the directors of the Company as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act except that in June 22, 2023, SEBI issued an Ad Interim Ex-Parte order against the Holding Company and its directors. Consequential to the order, one of the directors of the Company, Mr. Sunil Arjan Lulla, is restricted from holding any directorial positions in listed companies;
- g. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
- h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";



- i. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32 on Contingent Liabilities to the financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iv) (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



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(v) The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.

(vi) Based on our examination which included test checks, the company, has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has not operated throughout the year for all relevant transactions recorded in the software. Since the audit trail feature was not operated throughout the year, we cannot comment on the tampering of the said feature, if any.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.103523W / W100048



Sumant Sakhardande  
Partner

Membership No. 034828

UDIN: 24034828 BKCAOB 7131

Place: Mumbai

Date: September 30, 2024



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## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of **ErosNow Private Limited** ("the Company") on the financial statements for the year ended March 31, 2024]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

- (i)
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (a) (B) The Company does not have any Intangible Assets and accordingly, reporting under clause (i)(a)(B) of paragraph 3 of the Order is not applicable.
  - (b) During the year, the Property, Plant and Equipment of the Company have not been physically verified by the management and as such, we cannot comment on material discrepancies existing, if any. In our opinion, the frequency of verification is not reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The Company does not have any immovable property and accordingly, reporting under clause (i)(c) of paragraph 3 of the Order is not applicable.
  - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.
  - (e) No proceedings have been initiated or are pending against the Company as at March 31, 2024 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
- (a) The Company is in the business of providing content services, and consequently does not hold any inventory. Therefore, reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable.
  - (b) The Company has not obtained any sanctioned working capital limit during the year, from banks and/or financial institutions, on the basis of security of current assets. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii)
- (a) During the year, the Company has not provided any loans or provided advances in the nature of loans, or stood guarantee, or provided security to any of the entities. However, the Company has provided loans or advances in the nature of loans and which were outstanding at the beginning of the year.



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(Rs. In lakhs)

Sr No	Particulars	Guarantees	Security	Loans	Advances in the nature of loans
1	Aggregate amount granted / provided during the year				
	- Subsidiaries	Nil	Nil	Nil	Nil
	- Joint Ventures	Nil	Nil	Nil	Nil
	- Associates	Nil	Nil	Nil	Nil
	- Others	Nil	Nil	Nil	Nil
2	Balance outstanding as at March 31, 2024 in respect of above cases				
	- Subsidiaries	Nil	Nil	Nil	Nil
	- Joint Ventures	Nil	Nil	Nil	Nil
	- Associates	Nil	Nil	Nil	Nil
	- Others	Nil	Nil	2,969	Nil

- (b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided by the Company are not prejudicial to the interest of the Company.
- (c) The schedule of repayment of principal and payment of interest in respect of the loans and advances in the nature of loans have not been stipulated as these loans are repayable on demand (including loan of Rs. 1,500 lakhs which is not repayable on demand). Thus, we are unable to comment whether the repayments or receipts during the year are regular and report amounts overdue for more than ninety days, if any, as required under clause (iii)(d) of paragraph 3 of the Order.
- (d) The aforesaid loans and interest thereon are repayable/payable on demand. As no such demand has been raised by the Company till date, reporting under clause (iii)(c) and (d) of paragraph 3 of the Order are not applicable.
- (e) There were no loans or advances in the nature of loan granted which has/have fallen due during the year, have been renewed or extended. Further, there were no instances of fresh loans being granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Details of the same are as below:

(Rs.in lakhs)

Particulars	Promoters	Related Parties	Others	Remarks
Aggregate amount of loans/advances in nature of loan				
- Repayable on demand(A)	Nil	1,020	449	
- Agreement does not specify any terms or period of repayment (B)	Nil	1,500	Nil	
Total (A+B)				

Continuation Sheet



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Percentage of loans/advances in nature of loan to the total loans	Nil	85%	15%	
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- (iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion, the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is not regular in depositing with appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), provident fund, employees' state insurance, income-tax, duty of customs, cess and any other material statutory dues applicable to it, and there have been serious delays in a large number of cases.

AND

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable, except as follows:

## Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	189	Prior to 1 <sup>st</sup> April 2022, FY 22-23 and April 2023 to July 2023	Various Dates	Unpaid	
Income Tax Act, 1961	Tax Deducted At Source	486	April 2021- August 2023	Various Dates	Unpaid	
CGST Act, 2017	Goods and Service Tax	126	FY 2021-2022 & FY 2022-2023	Various Dates	Unpaid	

- (b) The dues outstanding with respect to provident fund, employees' state insurance, income tax, GST, sales tax, service tax, value added tax, customs duty, excise duty and cess, on account of any dispute, are as follows:

Continuation Sheet



## Statement of Disputed Dues

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service tax, Penalties and Interest	94	May 2006 to March 2011	CESTAT	

- (viii) We have not come across any transaction(s) which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix)
- (a) The Company has not taken any loans or other borrowings from any lender. Accordingly, reporting under clause (ix)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not obtain any money by way of term loans during the year and there were no outstanding term loans at the beginning of the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have, been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiaries, associates, jointly controlled entities or joint operations, as defined under the Act and hence reporting under clause (ix)(e) of paragraph 3 of the order is not applicable.
- (f) The Company does not have any subsidiaries, associates, jointly controlled entities or joint operations, as defined under the Act and hence reporting under clause (ix)(f) of paragraph 3 of the order is not applicable.
- (x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.



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- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.
- (c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with section 188 of the Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. Since the Company is a private limited company, the provisions of section 177 of the Act are not applicable to the Company.
- (xiv) In our opinion, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act. Hence, reporting under clause (xiv) (a) and (b) of paragraph 3 of the order is not applicable.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) and (d) of paragraph 3 of the Order are not applicable.
- (xvii) The Company has incurred cash losses for the current financial year amounting to Rs. 323 lakhs, however, no cash losses were incurred in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, we believe that any material uncertainty exists as on the date of this audit report as the Company has incurred losses in the current financial year, its net worth has been fully eroded and its current liabilities are in excess of its current assets as on balance sheet date and due to which the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report. We draw attention to Qualified Opinion in our main audit report of even date regarding the applicability of the going concern assumption.



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- (xx) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048



Sumant Sakhardande

Partner

Membership No: 034828

UDIN: 24034828 BkCA 0B 7131

Place: Mumbai

Date: September 30, 2024



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## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of ErosNow Private Limited on the financial statements for the year ended March 31, 2024]

### Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls with reference to financial statements of ErosNow Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the ICAI.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls with reference to financial statements of the Company.

#### Meaning of Internal Financial Controls with reference to Financial Statements

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



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## Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial controls with reference to financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls with reference to financial statements and whether such internal financial controls were operating effectively as at March 31, 2024.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

  
Sumant Sakhardande  
Partner

Membership No.034828

UDIN: 24034828BKCA0B7131

Place: Mumbai

Date: September 30, 2024



**ErosNow Private Limited**  
**Balance Sheet as at 31 March 2024**

Particulars	Note No.	Amount ₹ in Lakhs	
		As at 31 March 2024	As at 31 March 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	33	35
Financial assets			
Other financial assets	4	39	65
Loans	5	1,500	1,500
Tax assets (net)	6	162	499
<b>Total Non-current assets</b>		<b>1,734</b>	<b>2,099</b>
<b>Current assets</b>			
Financial assets			
Investments	7	0	0
Trade receivables	8	142	250
Cash and cash equivalents	9	222	161
Loans	10	1,372	5,253
Other current assets	11	909	937
<b>Total Current assets</b>		<b>2,645</b>	<b>6,601</b>
<b>Total Assets</b>		<b>4,379</b>	<b>8,700</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12	1	1
Other equity	13	(4,856)	(3,709)
<b>Total Equity</b>		<b>(4,855)</b>	<b>(3,708)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employee benefit obligation	14	-	65
<b>Total non-current liabilities</b>		<b>-</b>	<b>65</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	15	989	0
Trade payables dues to	16		
Micro and small enterprises		95	100
Other than Micro and small enterprises		5,448	9,740
Other current liabilities	17	2,647	2,419
Employee benefit obligation	18	55	84
<b>Total current liabilities</b>		<b>9,234</b>	<b>12,343</b>
<b>Total Equity and liabilities</b>		<b>4,379</b>	<b>8,700</b>

**Note 1 to 43 form an integral part of these financial statements**

As per our report on even date

For **Haribhakti & Co LLP**

Chartered Accountants

Firm Registration No.: 103523W/W100048

**Sumant Sakhardande**

Partner

Membership No.: 034828

Place: Mumbai

Date: 30 September 2024

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

**Vijay Thaker**

Director

(DIN :- 01867309)

Place: Mumbai

Date: 30 September 2024

**Anand Shankar**

Director

(DIN: 02942810)

Place: Mumbai

Date: 30 September 2024

**ErosNow Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2024**

Particulars	Note No.	Amount ₹ in Lakhs	
		Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue</b>			
Revenue from operations	19	782	1,873
Other income	20	286	586
<b>Total revenue</b>		<b>1,068</b>	<b>2,459</b>
<b>Expenses</b>			
Operating expenses	21	642	1,351
Employee benefits expense	22	197	19
Finance costs	23	375	292
Depreciation expense	3	3	12
Other expenses	24	738	583
<b>Total expenses</b>		<b>1,955</b>	<b>2,257</b>
<b>Profit / (Loss) before tax</b>		<b>(887)</b>	<b>202</b>
<b>Tax expense</b>			
Current tax - Earlier Years		260	(0)
Deferred Tax		-	5
<b>Income tax expense</b>		<b>260</b>	<b>5</b>
<b>Profit / (Loss) after tax for the year</b>		<b>(1,147)</b>	<b>197</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(i) Re-measurement gain on defined benefit liability		-	(19)
(ii) Income tax effect		-	5
<b>Total other comprehensive income</b>		<b>-</b>	<b>(14)</b>
<b>Total comprehensive income for the year</b>		<b>(1,147)</b>	<b>183</b>
<b>Earnings per equity share (face value of ₹ 100 each)</b>			
Basic (Rs)	25	(1,14,690)	19,724
Diluted (Rs)		(1,14,690)	19,724

**Note 1 to 43 form an integral part of these financial statements**

As per our report on even date

**For Haribhakti & Co LLP**

Chartered Accountants

Firm Registration No.: 103523W/W100048


  
**Sumant Sakhardande**  
 Partner  
 Membership No: 034828

Place: Mumbai  
 Date: 30 September 2024

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

  
**Vijay Thaker**  
 Director  
 (DIN :- 01867309)

Place: Mumbai  
 Date: 30 September 2024

  
**Anand Shankar**  
 Director  
 (DIN: 02942810)

Place: Mumbai  
 Date: 30 September 2024

**ErosNow Private Limited**  
**Statement of Cash flows for the year ended March 31 2024**

Amount ₹ in Lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>(A) Cash flow from operating activities</b>		
Profit/ (Loss) before tax	(887)	202
Adjustments for		
Depreciation expenses	3	12
Foreign exchange loss/(gain)	39	424
Provision written back	(36)	(116)
Loss on Fixed assets written off	-	6
Provision for doubtful advances	558	42
Interest expense	375	292
Interest income	(250)	(471)
<b>Operating profit before working capital changes</b>	<b>(198)</b>	<b>391</b>
Adjustment for		
Increase/(Decrease) in trade payables	(4,260)	1,803
Increase/(Decrease) in other current liabilities	226	(74)
Increase/(Decrease) in employee benefit obligation	(80)	1
Decrease / (increase) in trade receivables	(303)	168
(Increase)/Decrease in other current assets	(22)	(279)
(Increase)/Decrease in other financial assets	(27)	-
<b>Cash generated from/ (used in) operations</b>	<b>(4,664)</b>	<b>2,010</b>
Income taxes refund/(Paid)	77	(209)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(4,587)</b>	<b>1,801</b>
<b>(B) Cash flow from investing activities</b>		
Purchase of property, plant and equipment	-	(0)
Loans given (net)	3,784	(1,953)
Interest Income	250	471
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>4,034</b>	<b>(1,482)</b>
<b>(C) Cash flow from financing activities</b>		
Proceeds from borrowings	989	-
Interest expense	(375)	(292)
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>614</b>	<b>(292)</b>
<b>Net cash flows during the year (A + B + C)</b>	<b>61</b>	<b>27</b>
Cash and cash equivalents at the beginning of the year	161	134
<b>Net cash and cash equivalents at the end of the year</b>	<b>222</b>	<b>161</b>

Note 1 to 43 form an integral part of these financial statements  
Change in liability arising from financing activities :-


As per our report on even date

For Haribhakti & Co LLP  
Chartered Accountants  
Firm Registration No.: 103523W/W100048

  
Sumant Sakhardande  
Partner  
Membership No: 034828

Place: Mumbai  
Date: 30 September 2024

For and on behalf of Board of Directors

  
Vijay Thaker  
Director  
(DIN :- 01867309)

Place: Mumbai  
Date: 30 September 2024

  
Anand Shankar  
Director  
(DIN: 02942810)

Place: Mumbai  
Date: 30 September 2024



**ErosNow Private Limited**  
**Notes forming part of the financial statements and other explanatory information**  
**Statement of changes in Equity**

	Amount ₹ in Lakhs except share data	
	Number	(Amount in ₹)
Balance as at 1 April 2022	1,000	1
Changes in Equity Share capital during the year 2022-23	-	-
Balance as at 31 March 2023	1,000	1
Changes in Equity Share capital during the year 2023-24	-	-
Balance as at 31 March 2024	1,000	1

Balance as at 1 April 2022  
Changes in Equity Share capital during the year 2022-23  
Balance as at 31 March 2023  
Changes in Equity Share capital during the year 2023-24  
Balance as at 31 March 2024

	Reserves and surplus		Retained earnings		Total equity
	Securities premium	'Other comprehensive income	Amount in ₹	Amount in ₹	
Balance as at 1 April 2022	267	81	(4,240)	(3,892)	
Employee share-based compensation	-	-	-	-	
Loss for the year	-	-	197	197	
Other comprehensive income	-	14	-	14	
Balance as at 31 March 2023	267	67	(4,043)	(3,709)	
Employee share-based compensation	-	-	-	-	
Loss for the year	-	-	(1,147)	1,147	
Other comprehensive income	-	-	-	-	
Balance as at 31 March 2024	267	67	(5,190)	(4,857)	

Amount ₹ in Lakhs

As per our report on even date  
**For Haribhakti & Co LLP**  
Chartered Accountants



*Sumant Sakhardande*  
**Sumant Sakhardande**  
Partner  
Membership No: 034828

Place: Mumbai  
Date: 30 September 2024

For and on behalf of Board of Directors



*Vijay Thaker*  
**Vijay Thaker**  
Director  
(DIN :- 01867309)

Place: Mumbai  
Date: 30 September 2024

**ErosNow Private Limited**  
**Notes forming part of the financial statements**

**1) Corporate information**

ErosNow Private Limited (the Company), is a company incorporated in India under the provisions of the Companies Act. The Company is engaged in providing mobile value added services (MVAS) like SMS, WAP, CRBT and IVR. The Company is also engaged in providing content services which includes marketing, promotion and distribution on digital platform i.e. Erosnow to Telecom and other customers.

**2) Material accounting policies and key accounting estimates and judgements**

**Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the companies Act 2013 (the Act) read with the Companies (Indian Accounting standard) as amended and other relevant provisions of the Act. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities and defined benefit obligations.

With effect from 1st April 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116 using the **prospective approach**. The application of Ind AS 116 has resulted into recognition of ‘Right-of-Use’ asset with a corresponding Lease Liability in the Balance Sheet.

The financial statements are presented in Indian Rupee. All values are rounded to the nearest rupees in lacs, except where otherwise indicated. Amounting Zero (0) represents amount below rupees fifty thousand.

**Use of estimates**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include estimation of useful lives of property plant and equipment, employee costs, assessments of recoverable amounts of deferred tax assets, trade receivables and cash generating units, provisions against litigations and contingencies. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognized prospectively in the current and future periods.

**Operating cycle and current non-current classification**

Based on the nature of services and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is current when:

- It is expected to be realised in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Foreign currency transactions and balances**

Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.



**ErosNow Private Limited**  
**Notes forming part of the financial statements**

**Fair value measurement**

The Company measures financial instruments at fair value at each reporting date.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes,

- Disclosures for valuation methods, significant estimates and assumptions
- Contingent consideration.
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortized cost).

**Revenue recognition**

The company recognizes revenue (net of sales related taxes) when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for the company's activities, as described below.

**Rendering of services**

Revenue is recognized on delivery of content to customers, on the basis of monthly log reports received from customers as per contracted terms. It also recognized basis the progress towards complete satisfaction of performance obligation at the reporting period. The Company recognizes 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 recognizes 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.



**ErosNow Private Limited**  
**Notes forming part of the financial statements**

**(i) Interest income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable.

**(ii) Dividends**

Dividend income from investments is recognised when the right to receive payment has been established.

Other revenue is recognised on accrual basis.

**Income taxes**

Income tax expense comprises of current tax expense and deferred tax expenses. Current and deferred taxes are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**(i) Current income tax:**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

**(ii) Deferred tax:**

Deferred tax is recognized using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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 allow all or part of the deferred tax asset to be utilized. Unrecognized 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 allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. 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. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities

**Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non-refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, 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 cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment.



**ErosNow Private Limited**  
**Notes forming part of the financial statements**

The accounting policy for borrowing costs is set out in note below. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Depreciation on property, plant and equipment is provided based on useful life of the assets as prescribed in 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.

**Borrowing costs**

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds. Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalized as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

**Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the Statement of Profit and Loss.

**Leases**

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on accrual basis as escalation in lease arrangements are for expected inflationary cost.

**Financial instruments**

**Initial recognition and measurement**

Financial Instruments (assets and liabilities) are recognised when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in statement of profit and loss.



**ErosNow Private Limited**  
**Notes forming part of the financial statements**

**i. Financial assets**

All regular way purchase or sale of financial assets are recognised and derecognized on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

**Subsequent measurement**

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets:

- a) Financial assets measured at amortized cost
- b) Financial assets measured at fair value through profit or loss (FVTPL)
- c) Financial assets measured at fair value through other comprehensive income (FVTOCI) – The Company does not have any assets classified as FVTOCI.

**Financial assets measured at amortized cost**

A financial asset is measured at amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal And interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

**Financial assets measured at FVTPL**

FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

**De recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either
  - the Company has transferred substantially all the risks and rewards of the asset, or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Debt instruments measured at amortized cost e.g., loans and bank deposits
- Trade receivables
- Other Financial assets not designated as FVTPL

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



**ErosNow Private Limited**  
**Notes forming part of the financial statements**

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime EGL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month EGL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables (including lease receivables). The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

**ii. Financial liabilities**

**Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the EIR method or at FVTPL.

**Financial liabilities at amortized cost**

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are de-recognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**Financial liabilities at FVTPL**

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

**De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or canceled or expires.

**Offsetting 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 or to realize the assets and settle the liabilities simultaneously.

**Derivative financial instruments**

The Company does not have any derivative financial instruments.

**Cash and cash equivalents**

Cash and cash equivalents represent cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

**Provisions**

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.



**ErosNow Private Limited**  
**Notes forming part of the financial statements**

**Contingencies**

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**Employee benefits**

Liability on account of short term employee benefits is recognised on an undiscounted and accrual basis during the period when the employee renders service/ vesting period of the benefit.

**- Defined contribution plan**

The Company pays contribution to the provident fund and Employee state insurance corporation which is administered by respective Government authorities. The Company has no further payment obligations once the contributions have been paid. The Contributions are recognized as employee benefit expense in the statement of profit and Loss to the year it pertains.

**-Defined benefit plan**

Gratuity: The Company's liability towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The Cost for past services is recognized on a straight line basis over the average period until the amended benefits become vested.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and the terms of Government bonds are consistent with the currency and estimated term of defined benefit obligation.

Compensated absences: The Company's liability towards unavailed leave is determined for entire unavailed vacation balance standing to the credit of each employee at the end of reporting period.

**Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss 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 attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**Key accounting estimates and judgements**

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:



**ErosNow Private Limited**  
**Notes forming part of the financial statements**

**Judgements**

**(i) Deferred income taxes**

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Company's latest approved forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full.

**Estimates**

**(i) Useful lives of various assets**

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company.

**(ii) Current income taxes**

The tax jurisdictions for the Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

**(iii) Accounting for defined benefit plans**

In accounting for post-retirements benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgement. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

**(iv) Impairment**

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

**(v) Estimation of uncertainties relating to global health pandemic from COVID-19**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The company has evaluated the impact of this pandemic in preparation of the financial statement including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on its business operations. Based on its review and current indicators of future economic conditions, there is no significant impact on its financial results



**3 Property, plant and equipment**

Amount ₹ in Lakhs

Descriptions of assets	Data processing equipments*	Electrical equipment	Furniture and fittings	Lease assets	Right of Use Asset	Motor vehicle*	Office equipment	Total
<b>(I) For year ended 31 March 2023</b>								
<b>Acquisition Cost</b>								
As at 31 March 2023	661	5	17	12	16	7	10	728
Additions	-	-	-	0	-	-	1	1
Disposals	-	-	-	-	-	-	-	-
<b>As at March 31 2024</b>	<b>661</b>	<b>5</b>	<b>17</b>	<b>12</b>	<b>16</b>	<b>7</b>	<b>11</b>	<b>729</b>
<b>Depreciation</b>								
As at 31 March 2023	629	5	16	12	16	7	8	693
Depreciation charge for the year	3	-	-	-	-	0	0	3
Disposals	-	-	-	-	-	-	-	-
<b>As at March 31 2024</b>	<b>632</b>	<b>5</b>	<b>16</b>	<b>12</b>	<b>16</b>	<b>7</b>	<b>8</b>	<b>696</b>
<b>Carrying amount as at 31 March 2024</b>	<b>29</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>3</b>	<b>33</b>
<b>(II) For year ended 31 March 2023</b>								
<b>Acquisition Cost</b>								
As at 31 March 2022	796	6	18	47	16	7	13	903
Additions	-	-	-	-	-	-	-	-
Disposals	(135)	(1)	(1)	(35)	-	-	(3)	(175)
<b>As at 31 March 2023</b>	<b>661</b>	<b>5</b>	<b>17</b>	<b>12</b>	<b>16</b>	<b>7</b>	<b>10</b>	<b>728</b>
<b>Depreciation</b>								
As at 1 April 2022	746	6	17	47	16	7	11	850
Depreciation charge for the year	12	-	0	0	-	-	-	12
Disposals	(129)	(1)	(1)	(35)	-	0	(3)	(169)
<b>As at 31 March 2023</b>	<b>629</b>	<b>5</b>	<b>16</b>	<b>12</b>	<b>16</b>	<b>7</b>	<b>8</b>	<b>693</b>
<b>Carrying amount as at 31 March 2023</b>	<b>32</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>2</b>	<b>36</b>

\*Finance lease disclosure

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The Company has acquired data processing equipment which has a lease period of 3 years. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.



**ErosNow Private Limited**

**Notes forming part of the financial statements and other explanatory information**

	<u>Amount ₹ in Lakhs</u>	
	As at 31 March 2024	As at 31 March 2023
<b>4. Other financial assets</b>		
<b>Deposits- unsecured and considered good</b>		
Security Deposit	-	26
Fixed Deposit with Bank (In lieu BG)	1	1
Trade deposit	38	38
<b>Total</b>	<b>39</b>	<b>65</b>

**5. Loans**

**Unsecured and considered good**

Amount due from related party (Refer note 27)	1,500	1,500
<b>Total</b>	<b>1,500</b>	<b>1,500</b>

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

**As at 31 March 2024**

Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage of the total loans and Advances in the nature of loans
Related Party	1,500	100%

**As at 31 March 2023**

Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage of the total loans and Advances in the nature of loans
Related Party	1,500	100%

**6. Non-current tax assets (net)**

At the beginning of the year	499	290
Income tax refund/(paid) - net	(337)	209
<b>At end of the year</b>	<b>162</b>	<b>499</b>

**7. Current investments**

**Equity shares in companies**

**(quoted and accounted at fair value)**

10 (P.Y. 10) equity shares of Shyam Telecom	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**8. Trade receivables (Unsecured)**

<b>Considered good</b>	<b>142</b>	<b>251</b>
Related party (refer note 27)	123	123
Others	19	127
Considered doubtful	699	288
Less : Allowance for expected credit loss	(699)	(288)
Less : Allowance for expected credit loss	-	-
<b>Total</b>	<b>142</b>	<b>250</b>

**8.1 Refer Note 33 for Trade Receivables Ageing**



**ErosNow Private Limited****Notes forming part of the financial statements and other explanatory information****9. Cash and cash equivalents**

Balances with banks - in current account	212	159
Cash in hand	10	2
<b>Total</b>	<b>222</b>	<b>161</b>

**10. Loans****Unsecured and considered good**

Amount due from related party(Refer note 27)

Loan to Related party	1,020	5,253
Loan given to Others	449	-
Provision on loan to others	(97)	-
<b>Total</b>	<b>1,372</b>	<b>5,253</b>

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

**As at 31 March 2024**

Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage of the total loans and Advances in the nature of loans
Holding Company	1,020	74%

**As at 31 March 2023**

Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage of the total loans and Advances in the nature of loans
Holding Company	2,544	48%
Fellow Subsidiary Company	2,709	52%

**11. Other current assets (Unsecured and considered good)**

Advance to suppliers	105	27
Advance to employees	-	3
Unbilled revenue	0	116
Prepaid expense	-	1
Receivable from related parties (Refer note 27)	766	755
Other receivables	88	35
Provision on doubtful receivables	(50)	-
<b>Total</b>	<b>909</b>	<b>937</b>



12. Equity

	Amount ₹ in Lakhs, except share data	
	Number	Amount
<b>(A) Authorised share capital</b>		
Beginning of the year 1 April 2023	5,000	5
Increase/(Decrease) during the year	-	-
Total shares authorised at 31 March 2024	5,000	5
<b>Total authorised share capital as at 31 March 2024</b>	<b>5,000</b>	<b>5</b>
<b>Issued equity capital</b>		
Equity shares of ₹ 100 each issued, subscribed & fully paid	1,000	1
<b>Shares issued and fully paid as at 31 March 2024</b>	<b>1,000</b>	<b>1</b>

a) Terms/Rights attached to shares

The Company has only one class of equity shares having a par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. The dividends, if any, proposed by Board of Directors is subject to approval by the Shareholders. All shares rank pari passu on repayment of capital in the event of liquidation.

b) Reconciliation of paid-up share capital (Equity Shares)

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
Balance at the beginning of the year	1,000	1	1,000	1
Add:- issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>1,000</b>	<b>1</b>	<b>1,000</b>	<b>1</b>

c) Shares held by holding company, subsidiaries of holding company

	As at 31 March 2024		As at 31 March 2023	
	Number of shares held	Amount (₹ in lakhs)	Number of shares held	Amount (₹ in lakhs)
Eros International Media Limited - Holding company	1,000	1	1,000	1

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

	As at 31 March 2024		As at 31 March 2023	
	Number of shares held	% holding	Number of shares held	% holding
Eros International Media Limited - Holding company & nominee	1,000	100%	1,000	100%

e) Share holding of Promoter

As at 31 March 2024

Class of Equity share	Promoter's Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year
Equity Shares	Eros International Media Limited	1,000	-	1,000

As at 31 March 2023

Class of Equity share	Promoter's Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year
Equity Shares	Eros International Media Limited	1,000	-	1,000

There is no change in the shareholding of promoters during FY 2022-23.

13. Other Equity

	Security Premium	Other comprehensive income	Retained earnings	Total equity
<b>Balance as at 31 March 2022</b>	267	81	(4,240)	(3,892)
Profit/ (Loss) for the year	-	-	197	197
Other comprehensive income / (loss) for the year	-	(14)	-	(14)
<b>Balance as at 31 March 2023</b>	<b>267</b>	<b>67</b>	<b>(4,043)</b>	<b>(3,709)</b>
Profit/ (Loss) for the year	-	-	(1,147)	(1,147)
Other comprehensive income / (loss) for the year	-	-	-	-
Issue of ESOP by Holding company	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>267</b>	<b>67</b>	<b>(5,190)</b>	<b>(4,856)</b>

Share premiums has been recorded in respect of the issue of share capital of Holding company related to employee share-based payment



**ErosNow Private Limited****Notes forming part of the financial statements and other explanatory information****14. Employee benefit obligation****Non Current****Provisions for employee benefits**

Compensated absence (Refer note 26)

-

-

Gratuity (Refer note 26)

-

65

**Total**

-

**65****15. Other financial liabilities****Borrowing**

Current maturities of non current borrowings

-

0

From related parties (Refer note 27)

989

-

**989****0****16. Trade payables****Micro and small enterprises**

-

-

Others

95

100

**Other than Micro and small enterprises**

Others

2,585

3,970

Related parties (Refer note 27)

2,863

5,770

**5,543****9,840****16.1 Refer Note 33 for Trade Payable Ageing****17. Other current liabilities**

Advance from customers

83

9

Unearned revenue

100

100

Other provisions

Expenses

1,199

850

Employees

467

507

Statutory dues

798

953

**2,647****2,419****18. Employee benefit obligation****Current****Provisions for employee benefits**

Compensated absence (Refer note 26)

30

42

Gratuity (Refer note 26)

25

42

**Total****55****84**

**ErosNow Private Limited****Notes forming part of the financial statements and other explanatory information**

Amount ₹ in Lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
<b>19. Revenue from operations</b>		
Revenue from operations	782	1,867
Other operating income	0	6
<b>Total</b>	<b>782</b>	<b>1,873</b>
<b>20. Other income</b>		
Interest income		
Bank deposit *	0	0
Income tax refund	12	6
Loan to related party	200	464
Other Income *	0	0
Interest received		
Inter Company Deposit	38	-
Provision and balances written back	36	116
<b>Total</b>	<b>286</b>	<b>586</b>
<b>21. Operating expenses</b>		
Content expenses *	640	0
Technology expenses	2	1,344
Advertisement expenses	-	7
<b>Total</b>	<b>642</b>	<b>1,351</b>
<b>22. Employee benefits expense</b>		
Salary and bonus	188	4
Employer Contribution to provident funds (refer note 26)	9	-
Employee compensation expenses (refer note 26)	-	-
Gratuity expenses (refer note 26)	-	15
<b>Total</b>	<b>197</b>	<b>19</b>
<b>23. Finance costs</b>		
Interest on MSME & Others	34	26
Interest on delayed payment of taxes		
Delay Payment of TDS	285	210
Delay payment of GST	56	56
<b>Total</b>	<b>375</b>	<b>292</b>



**ErosNow Private Limited****Notes forming part of the financial statements and other explanatory information**

Amount ₹ in Lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
<b>24. Other expenses</b>		
Rates and taxes	1	9
Legal and professional expenses	118	36
Auditors remuneration (refer note 35)	6	6
Loss on fixed assets written off	-	6
Provision for doubtful advances	411	42
Provision for bad and doubtful advances	147	-
Loss on foreign currency transactions and translation (net)	39	424
Bank charges	3	1
Miscellaneous expenses	13	59
<b>Total</b>	<b>738</b>	<b>583</b>

\* amount represents below ₹ lakh

**25. Earnings per share (EPS)**

Profit/(Loss) after tax attributable to equity shareholders	(1,147)	197
Weighted average number of equity shares	1,000	1,000
Basic and diluted EPS (face value of ₹100 per share) (Rs)	(1,14,690)	19,724



## 26. Employee benefits

### 1. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as Salaries, incentives and allowances, short terms compensated absences, etc., and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

### 2. Long term employee benefits

The disclosures as per Ind AS-19 are as under:

#### (i) Defined benefit plan

##### Gratuity (Unfunded):

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a unfunded plan. The Company does not have any employee on its payroll as on March 31, 2024 as all the employees have been transferred during the year to one of the group company and accordingly no actuarial valuation is required to be carried out as of March 31, 2024. Therefore, below tables does not contain any disclosure for the year ended March 31, 2024 and as at March 31, 2024.

#### A. Movement in the present value of projected benefit obligation for gratuity

Particulars	Amount ₹ in Lakhs	
	As at 31 March 2024	As at 31 March 2023
At the beginning of the period	-	85
Interest cost	-	4
Current service cost	-	11
Past service cost	-	-
Liability Transferred In/ Acquisitions (Benefit paid directly by the employer)	-	(12)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	1
Actuarial (gains)/losses on obligations - due to change in financial assumptions	-	(4)
Actuarial (gains)/losses on obligations - due to experience	-	22
<b>At the end of the year</b>	<b>-</b>	<b>107</b>
Current portion of gratuity	-	42
Non-current portion of gratuity	-	65
<b>Total</b>	<b>-</b>	<b>107</b>

#### B. Amount recognised in the statement of profit and loss

Particulars	Amount ₹ in Lakhs	
	Year ended 31 March 2024	Year ended 31 March 2023
Interest cost	-	4
Current service cost	-	11
Past service cost	-	-
<b>Net impact as employee benefit expenses</b>	<b>-</b>	<b>15</b>
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	1
Actuarial (gains)/losses on obligations - due to change in financial assumptions	-	(4)
Actuarial (gains)/losses on obligations - due to experience	-	22
<b>Net impact as other comprehensive income before tax</b>	<b>-</b>	<b>19</b>

#### C. Amount recognised in the balance sheet

Particulars	Amount ₹ in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Obligation for gratuity	0	107
	<b>0</b>	<b>107</b>

Number of active members are 67 (2023 - 67)

Weighted average duration of the projected benefit obligation for gratuity is 2 years (2022 : 3 years)

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**D. The defined benefit obligations shall mature after year end as follows:**

Particulars	Amount ₹ in Lakhs	
	As at 31 March 2024	As at 31 March 2023
1st following year	-	42
2nd following year	-	28
3rd following year	-	18
4th following year	-	12
5th following year	-	8
Sum of years 6 to 10	-	11
Sum of years 11 to above	-	1

**E. Assumptions**

The actuarial calculations used to estimate commitments and expenses in respect of gratuity is based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

Particulars	Amount ₹ in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Rate of discounting - Indicative Government security referenced rate of interest	-	7.29%
Rate of salary increase	-	4.76%
Rate of employee turnover	-	41.00%
Mortality Rate During Employment - Published rates under the Indian Assured Lives Mortality (2012-14) Urban.	-	-

**F. Sensitivity**

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

Particulars	Year ended	
	31 March 2024	31 March 2023
Rate of discounting	Increase by 1%	Decrease by 1%
Increase / (decrease) in the defined benefit liability	(1)	2
Rate of salary increase	Increase by 1%	Decrease by 1%
Increase / (decrease) in the defined benefit liability	1	(1)
Rate of employee turnover	Increase by 1%	Decrease by 1%
Increase / (decrease) in the defined benefit liability	-0	0

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

**(ii) Defined contribution plan**

**(a) Provident fund and employee's state insurance corporation**

The Company pays fixed contribution to the provident fund and employee's state insurance corporation entities in relation to several state plans and insurances for individual employees. This fund is administered by the respective Government authorities, and the Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

**Contribution to defined contribution plan recognised as employee benefit expenses**

Particulars	Year ended	
	31 March 2024	31 March 2023
Employer's Contribution towards Provident Fund (PF)	9	-
Employer's Contribution towards Employee's State Insurance Corporation (ESIC)	-	0
<b>Total</b>	<b>9</b>	<b>0</b>

**(b) Compensated absences**

The Company's had discontinued with leave encashment policy in earlier years. Thus, during the year, no leave encashment recognised by the Company. As at 31 March 2024, the Company has obligation of ₹ Nil (2023 : ₹ Nil).

Current portion of compensated absence	-	-
Non-current portion of compensated absence	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**ErosNow Private Limited**  
Notes forming part of the financial statements and other explanatory information

**27. Related party disclosures**

**Ultimate Holding company** Eros Media World PLC (up to 15 September 2021)

**Step up Holding company** Eros Worldwide FZE (up to 15 September 2021)

**Enterprises with significant influence \*** Eros Media World PLC (from 16 September 2021)  
Eros Worldwide FZE (from 16 September 2021)

**Holding company** Eros International Media Limited

**Entities under common control (Fellow Subsidiaries)** Eros International Films Private Limited  
Xfinite Technologies Private Limited  
Big Screen Ent. Pvt.Ltd.  
Eros International Ltd.  
Eros Digital FZ LLC  
E M Publishing Private Limited

**Key Management Personnel (KMP)** Mr. Anand Shankar Kamtam - Director  
Mr. Vijay Thaker - Director  
Mr. Sunil Lulla - Director (up to 31 July 2024)

Number of share held by related parties	% of Holding	% of Holding
	31 March 2024	31 March 2023
Eros International Media Limited - Holding company	100%	100%

**A. Transactions during the year with related parties**

Particulars	Year ended	Amount ₹ in Lakhs
	31 March 2024	Year ended 31 March 2023
<b>Revenue from operations</b>		
<b>Holding company</b>		
Eros International Media Limited	-	-
	-	-

<b>Interest Income</b>		
Eros International Media Limited	165	335
Eros International Films Private Limited	35	-
	<b>200</b>	<b>335</b>

**Entities under common control**

Particulars	Year ended	Amount ₹ in Lakhs
	31 March 2024	Year ended 31 March 2023
<b>Interest Expense</b>		
Eros International Films Private Limited	11	129
Xfinite Technologies Private Limited	3	-
	<b>14</b>	<b>129</b>

**Purchase of Film Rights**

<b>Holding company</b>		
Eros International Media Limited	-	1,351
	-	<b>1,351</b>

**Loan given**

<b>Holding company</b>		
Eros International Media Limited	727	971
	<b>727</b>	<b>971</b>

**Loan Taken**

<b>Entities under common control</b>		
Eros International Films Private Limited	444	-
Xfinite Technologies Private Limited	655	-
	<b>1,099</b>	-

**Loan given**

<b>Entities under common control</b>		
Eros International Films Private Limited	426	1,793
Eros International Ltd.	-	723
	<b>426</b>	<b>2,516</b>

**Repayment of loan given**

<b>Holding company</b>		
Eros International Media Limited	2,399	899
	<b>2,399</b>	<b>899</b>



ErosNow Private Limited  
Notes forming part of the financial statements

Amount ₹ in Lakhs  
Year ended  
31 March 2024

Year ended  
31 March 2023

**Repayment of loan given**

**Entities under common control**

Eros International Films Private Limited

	3,135	330
	3,135	330

**Repayment of loan taken**

**Entities under common control**

Eros International Films Private Limited  
Xfinite Technologies Private Limited

	66	-
	56	-
	122	-

**Revenue and cost attributable to (net):**

**Entities under common control**

Xfinite Technologies Private Limited  
Eros Digital FZ LLC

	566	-
	-	515
	566	515

**Revenue from operations**

**Entities under common control**

Eros Digital FZ LLC

	-	378
	-	378
	-	378

**B. Balances with related parties**

**Particulars**

Amount ₹ in Lakhs  
As at  
31 March 2024

As at  
31 March 2023

**Other current assets**

**Loan given**

**Holding company**

Eros International Media Limited

	1,020	2,544
	1,020	2,544

**Other non-current assets**

**Loan given**

**Holding company**

Eros International Media Limited

	1,500	1,500
	1,500	1,500

**Loan given**

**Entities under common control**

Eros International Films Private Limited

	-	2,709
	-	2,709
	-	2,709

**Loan taken**

**B. Balances with related parties**

Eros International Films Private Limited

	388	-
--	-----	---

Xfinite Technologies Private Limited

	601	-
	989	-

**Trade payables**

**Holding company**

Eros International Media Limited

	7	7
	7	7

**Trade payables**

**Entities under common control**

Eros Digital FZ LLC

	2,856	5,762
--	-------	-------

Xfinite Technologies Private Limited

	69	-
	2,925	5,762

**Other receivable**

**Holding company**

Eros International Media Limited

	123	123
	123	123

**Other receivable**

**Entities under common control**

Eros International Ltd.

	764	753
--	-----	-----

E M Publishing Private Limited

	1	1
--	---	---

Big Screen Ent. Pvt.Ltd.

	1	1
	766	755

'0' (zero) denotes amount less than ₹ one lakh



**ErosNow Private Limited**  
**Notes forming part of the financial statements and other explanatory information**

**28. Segment reporting**

**(a) Business Segment**

The company is engaged in providing content services which includes development, marketing, promotion and distribution on digital platforms to telecom customers. Therefore, only one operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

Particulars	Amount ₹ in Lakhs	
	Year ended 31 March 2024	Year ended 31 March 2023
External revenue	782	1,873

**(a) Geographical Segment**

Particulars	Amount ₹ in Lakhs	
	Year ended 31 March 2024	Year ended 31 March 2023
India	747	1,488
Rest of the world	35	385
	<b>782</b>	<b>1,873</b>

**Non-current assets other than financial instruments, income tax assets and deferred tax**

Particulars	Amount ₹ in Lakhs	
	Year ended 31 March 2024	Year ended 31 March 2023
Non-current assets	-	-
Rest of the world		
India	33	35
	<b>33</b>	<b>35</b>

*(this space has been intentionally left blank)*



**29. Categories of financial assets and financial liabilities**

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Amount ₹ in Lakhs	
	As at 31 March 2024	As at 31 March 2023
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
Trade receivables	142	250
Cash and cash equivalents	222	161
Loans	2,872	6,753
Other financial assets	39	65
	<u>3,275</u>	<u>7,229</u>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowings	989	0
Trade payables	5,543	9,840
	<u>6,532</u>	<u>9,840</u>

The net carrying value of cash and cash equivalents, other bank balances, trade receivables, trade payables, Unbilled revenue, and other financial liabilities/assets is a reasonable approximation of fair value largely due to the short-term maturities of these instruments.

**30A. 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 (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

Year ended 31 March 2024	Amount ₹ in Lakhs			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Measured at fair value through profit and loss</b>				
Investments*	0	-	-	0
	<u>0</u>	<u>-</u>	<u>-</u>	<u>0</u>
<b>Measured at amortised cost</b>				
Trade receivables	-	-	-	142
Cash and cash equivalents	-	-	-	222
Loans	-	-	-	2,872
Other financial assets	-	-	-	39
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,275</u>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Borrowings	-	-	-	989
Trade payables	-	-	-	5,543
Other financial liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,532</u>
<b>Year ended 31 March 2023</b>				
<b>Financial assets</b>				
<b>Measured at fair value through profit and loss</b>				
Investments*	0	-	-	0
	<u>0</u>	<u>-</u>	<u>-</u>	<u>0</u>
<b>Measured at amortised cost</b>				
Trade receivables	-	-	-	250
Cash and cash equivalents	-	-	-	161
Loans	-	-	-	6,753
Other financial assets	-	-	-	65
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,229</u>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Borrowings *	-	-	-	0
Trade payables	-	-	-	9,840
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,840</u>

\* amount represents below ₹ lakh

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### 30. Financial instruments risk

#### Risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial assets and liabilities by category are summarized in Note 29.

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

#### A. Market risk analysis

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and loans.

##### (i) 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.

##### (ii) Foreign currency risk

The Company is exposed to foreign exchange risk from foreign currency transactions. As a result it faces both translation and transaction currency risk which are principally mitigated by matching foreign currency revenues and costs wherever possible. The Company has identified that it will need to utilize hedge transactions to mitigate any risks in movements between the US Dollar and the Indian Rupee and has adopted an agreed set of principles that will be used when entering into any such transactions. No such transactions have been entered into to date and the Company has managed foreign currency exposure by seeking to match foreign currency inflows and outflows as much as possible.

The Company adopts a policy of borrowing where appropriate in the foreign currency as a hedge against translation risk. The table below shows the Company's net foreign currency monetary assets and liabilities position in the main foreign currencies, translated to Indian Rupees (INR) equivalents, as at the year end

Net balance receivables/ (payables)	Amount ₹ in Lakhs	
	As at 31 March 2024	As at 31 March 2023
USD	90.6	2.3
MVR	0.5	0.9
MYR	0.0	0.3
QAR	2.2	0.1
THB	0.3	0.0
EUR	0.0	0.0
OMR	0.0	0.0
KWD	1.2	0.0

#### 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) and British Pound (GBP)

The Company is not exposed to significant foreign currency risk as at the respective reporting dates and hence the exposure to change in interest rate is also insignificant.

##### (iii) Other price risk

The Company is mainly exposed to the price risk due to change in fair valuation of its investment in market traded equity instruments. The details of such investments are given in Note 4. The price risk arises due to uncertainties about the future market values of these investments. However, Company has insignificant value of investment in equity instruments and hence the exposure to change in interest rate is also insignificant.

The Company is not exposed to significant investment in market traded equity instruments as at the respective reporting dates and hence the exposure to change in interest rate is also insignificant.

#### 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 recognized at 31 March, as summarized below:

	Amount ₹ in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Trade receivables (net)	142	250
Loans	2,872	6,753
	<b>3,014</b>	<b>7,003</b>

The Company measures the expected credit loss of trade receivables and loan from employees based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is detailed below

Credit risk arising other bank balances and other financial assets are limited. In case of other bank balance, counterparties are banks and recognized financial institutions with high credit ratings assigned by the international credit rating agencies whereas in case of other financial assets consist of bills receivables.

As at 31 March 2024, 31 March 2023 the Company's financial assets have contractual maturities less than a year.

#### 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 31st March, 2024 and 31st March, 2023. 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 2024, 31 March 2023 the Company's financial liabilities have contractual maturities (including interest payments where applicable) less than a year.



**ErosNow Private Limited****Notes forming part of the financial statements and other explanatory information****31. Management of capital 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 whereas debt includes debt less cash and cash equivalent and other bank balances.

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

	Amount ₹ in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Debt	989	0
Less: Cash and cash equivalents and other bank balances	(222)	(161)
<b>Net debt (A)</b>	<b>767</b>	<b>(161)</b>
Equity (B)	(4,855)	(3,708)
Net debt to equity (A/B)	-16%	NA

**32. Contingent liabilities and commitments (to the extent not provided for)****A. Contingent liabilities****Particulars****Claims against the company not acknowledged as debt**

Service tax

	Amount ₹ in Lakhs	
	As at 31 March 2024	As at 31 March 2023
Service tax	114	114
	<b>114</b>	<b>114</b>

On 28 February, 2013, the Company received a service tax order with reference to the internal audit conducted by the service tax department. Based on the audit conducted, department has demanded tax amounting to ₹ 113.50 Lakhs against which the company has paid ₹ 20 Lakhs during the year ended 31 March 2016. The Company has not made any provision in the books to give effect to this order and filed an appeal against the demand. The Company expects that the final outcome will be favourable. Accordingly, based on the assessment made after appropriate legal advice, ₹ 113.50 Lakhs has been considered as contingent liability.

**B. Capital Commitments**

The Company does not have any commitment as at 31 March 2024 (P.Y. 31 March 2023).



33 Trade Receivables Ageing as at 31 March 2024

Amount ₹ in Lakhs

Particulars	Outstanding for following period from due date of payment							Total
	Not Due	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables-considered good	139	-	3	-	-	-	-	142
Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	195	178	65	160	101	699
Disputed Trade receivables-considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>139</b>	<b>-</b>	<b>198</b>	<b>178</b>	<b>65</b>	<b>160</b>	<b>101</b>	<b>841</b>
Less: Provision for ECL	-	-	195	178	65	160	101	699
<b>Net</b>	<b>139</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142</b>

Trade Receivables Ageing as at 31 March 2023

Particulars	Outstanding for following period from due date of payment							Total
	Not Due	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables-considered good	125	-	93	32	-	-	-	250
Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	29	155	31	73	288
Disputed Trade receivables-considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>125</b>	<b>-</b>	<b>93</b>	<b>61</b>	<b>155</b>	<b>31</b>	<b>73</b>	<b>538</b>
Less: Provision for ECL	-	-	-	29	155	31	73	288
<b>Net</b>	<b>125</b>	<b>-</b>	<b>93</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250</b>

33 Trade Payables Ageing as at 31 March 2024

Amount ₹ in Lakhs

Particulars	Outstanding for following period from due date of payment					Total
	Note Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	38	-	42	12	3	95
Others	2,934	32	1,230	997	255	5,448
Disputed-MSME	-	-	-	-	-	-
Disputed-Others	-	-	-	-	-	-
<b>Total</b>	<b>2,972</b>	<b>32</b>	<b>1,272</b>	<b>1,009</b>	<b>258</b>	<b>5,543</b>

Trade Payables Ageing as at 31 March 2023

Particulars	Outstanding for following period from due date of payment					Total
	Note Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	60	36	4	-	100
Others	-	7,554	1,914	110	162	9,740
Disputed-MSME	-	-	-	-	-	-
Disputed-Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>7,614</b>	<b>1,950</b>	<b>114</b>	<b>162</b>	<b>9,840</b>



34 Ratio Analysis

Sr.	Particulars	FY 2023-24	FY 2022-23	% Change	Remark for Variations
1	Current Ratio	0.29	0.53	-47.17%	-
2	Debt Equity Ratio#	NA	NA	NA	NA
3	Debt Service Coverage Ratio	(1,505.62)	NA*	NA	The Company does not have any debt as on March 31, 2023
4	Return on Equity	NA @	(0.05)	NA	For FY 23-24, the Company has incurred losses and have negative equity
5	Inventory Turnover Ratio	NA	NA	NA	The Company does not have inventory being engaged in providing services
6	Trade Receivables Turnover Ratio	3.99	2.99	33.44%	Due to reduction in Trade Receivables on account of provision made in books for ECL
7	Trade Payables Turnover Ratio	0.08	0.14	-42.86%	Due to reduction in Operating Expenses on account of decrease in operations
8	Net Capital Turnover Ratio#	NA	NA	NA	NA
9	Net Profit Ratio	(1.47)	0.11	- 14.27	Due to reduction in sales and the Company has incurred significant loss for the current year
10	Return on Capital Employed#	NA	NA	NA	NA
11	Return on Investments	0.04	0.08	-37.50%	Due to reduction in other income

NA: #Denominator is negative

NA: \*There was no debt in FY 22-23

NA @ - The Company has incurred loss in the current year and have negative equity as on year end.

34.1 Formula for computation of ratios are as follows:

Sr.	Particulars	Formula
1	Current Ratio	Current Assets/ Current Liabilities
2	Debt Equity Ratio	Total Debt/ Total Equity
3	Debt Service Coverage Ratio	Earnings before Interest, Tax and Exceptional Items / (Interest Expense + Principal Repayments made during the period for long term loans)
4	Return on Equity Ratio	Profit After Tax (Attributable to Owners)/ Average Net Worth
5	Inventory Turnover Ratio	Cost of Goods Sold / (Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade)
6	Trade Receivables Turnover Ratio	Value of Sales & Services / Average Trade Receivables
7	Trade Payables Turnover Ratio	Cost of Materials Consumed (after adjustment of RM Inventory) + Purchases of Stock-in-Trade + Other Expenses / Average Trade Payables
8	Net Capital Turnover Ratio	Value of Sales & Services / Net Worth
9	Net Profit Ratio	Profit After Tax ( after Exceptional items) / Value of Sales & Services
10	Return on Capital Employed (Excluding Working Capital financing)	Earning before interest and taxes/ Capital Employed (Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability)
11	Return on Investments	Other Income (Excluding Dividend) / (Average Cash, Cash Equivalents & Other Marketable Securities)



**ErosNow Private Limited**  
Notes forming part of the financial statements and other explanatory information

35 Auditors remuneration	Year ended 31 March 2024	Amount ₹ in Lakhs Year ended 31 March 2023
As Auditor		
Statutory audit	5	5
Tax audit	1	1
<b>Total</b>	<b>6</b>	<b>6</b>

**36 Other Statutory Information**

- i) As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.
- ii) The Company have not advanced or loaned or invested funds other than as disclosed to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- iii) The Company have not received any fund other than as disclosed from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- iv) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- v) The Company have not traded or invested in Crypto currency or virtual currency during the financial year.
- vi) No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- vii) The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- viii) The Company has not have any charges or satisfaction of charge which is yet to be registered with the Registrar of the Companies beyond the statutory period.
- ix) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- x) The Company has not revalued its property, plant and equipment or intangible assets during the current year or previous year.
- xi) The Company has not obtained any new sanctioned working capital limit during the year, from banks and/or financial institution, on the basis of security of current assets.
- xii) Since, the Company does not have any investment, provisions of number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restrictions on number of Layers) Rules, 2017 is not applicable.

37 The Company has given loan to its Holding Company aggregating Rs. 2,520 lakhs and also has trade receivable of Rs. 123 lakhs from the Holding Company, Net Worth of the Holding Company has been eroded and the Holding Company has incurred losses during the current financial year. No provision has been created by the Company on these loans and trade receivables, as per expected credit loss (ECL) in accordance with IND AS 109 Financial Instruments. The management considers that since these balances are recoverable from the Holding Company, they are good and fully recoverable and hence no provision is considered necessary in respect of said loans by the management.

38 The financial statements has been prepared on the going concern basis which assumes the Company will have sufficient cash to pay its debt, as and when they become payable. The Company's management is confident that the current business operations, future growth strategy and additional funding if any required will provide adequate funding to meet its minimum expenditure commitments and support its planned level of overhead expenditures and therefore it is appropriate to prepare the financial statements on the going concern basis.

39 The company has shown Goods and Service Tax Input Credit (Asset Balance) of Rs. 131 lakhs, however the balance as per electronic cash and credit ledger is Rs. 10.08 lakhs. The Company is in the process of reconciling the same as on the date of adoption of these financial statements. However, the Company does not expect material adjustment in the books of account in this regard post completion of reconciliation.

40 In view of carried forward tax losses, unabsorbed depreciation for earlier years and losses for the current year, no provision for tax is considered necessary by the management for the current financial year.

**41 Events after reporting date**

No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorization of these financial statements.

**42 Regrouping of previous year figures**

Previous year figures have been regrouped wherever necessary to make financial statement comparable.

**43 Authorisation of financial statements**

The financial statements for the year ended 31 March 2024 were approved by the Board of directors on September 30, 2024

For Haribhakti & Co LLP  
Chartered Accountants  
Firm Registration No.: 103523WW/100048

  
Sumant Sakhardande  
Partner  
Membership No: 034828

Place: Mumbai  
Date: 30 September 2024



For and on behalf of Board of Directors

  
Vijay Thaker  
Director  
(DIN :- 01867309)

Place: Mumbai  
Date: 30 September 2024

  
Anand Shankar  
Director  
(DIN: 02942810)

Place: Mumbai  
Date: 30 September 2024

