



October 10, 2018

The Secretary  
BSE Limited  
Pheeroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai – 400 001  
Scrip Code: **533261**

The Secretary,  
National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No- 'C' Block, G Block  
Bandra-Kurla Complex, Bandra (E)  
Mumbai-400051  
Scrip Code: **EROSMEDIA**

Dear Sir(s),

**Sub: Submission of Annual Report**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are submitting herewith the Annual Report of the Company for the financial year 2017-18, including Notice (forming part of Annual Report) as required. The said the Annual Report was approved and adopted by members of the Company at their 24<sup>th</sup> Annual General Meeting held on September 27, 2018.

Further, it may kindly be noted that the copy of Annual Report for the year 2017-18 has also been uploaded on our website [www.erosintl.com](http://www.erosintl.com)

You are requested to kindly take note of the above.

Thanking you,

Yours faithfully,  
**For Eros International Media Limited**

**Abhishek Kanoi**  
**Vice President - Company Secretary and Compliance Officer**



**EROS INTERNATIONAL MEDIA LIMITED**

Corporate Office: 901/902, Supreme Chambers, Off Veera Desai Road, Andheri (W), Mumbai - 400 053.  
Tel.: +91-22-6602 1500 Fax: +91-22-6602 1540 E-mail: [eros@erosintl.com](mailto:eros@erosintl.com) • [www.erosintl.com](http://www.erosintl.com)  
Regd. Office: Kailash Plaza, 2<sup>nd</sup> Floor, Plot No. 12, Off Veera Desai Road, Andheri (W), Mumbai - 400 053.  
CIN No. L99999MH1994PLC080502

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# CONTENT SO ENGROSSING...

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EROS INTERNATIONAL MEDIA LIMITED  
ANNUAL REPORT 2017-18



# FY2018 Highlights

**₹ 10,100 mn**

Annual Revenue

**₹ 3,679 mn**

Earning Before Interest  
and Tax

**₹ 2,293 mn**

Profit after Tax\*

**₹23.92**

Diluted EPS

**36.4%**

EBIT Margin, y-o-y  
expansion of 10.3%

**22.7%**

PAT Margin, y-o-y  
expansion of 4.9%

**24**

No. of Theatrical  
Releases

\*after minority interests



## FORWARD-LOOKING STATEMENTS

Certain statements in this report concerning the future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "forecasts", "plans", "prepares", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include, but are not limited to, statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies, business development, the markets in which the Company operates, expected changes in the Company's margins, certain cost or expense items as a percentage of the Company's revenues, the Company's relationships with theater operators and industry participants, the Company's ability to source film content, the completion or release of the Company's films and the popularity thereof, the Company's ability to maintain and acquire rights to film content, the Company's dependence on the Indian box office success of its films, the Company's ability to recoup box office revenues, the Company's ability to compete in the Indian film industry, the Company's ability to protect its intellectual property rights and its ability to respond to technological changes, the Company's contingent liabilities, general economic and political conditions in India, including fiscal policy and regulatory changes in the Indian film industry. By their nature, forward-looking statements involve known and unknown risk and uncertainty because they relate to future events and circumstances. The forward-looking statements speak only as of the date they are made and are not guarantees of future performance and the actual results of the Company's operations, financial condition and liquidity, and the development of the markets and the industry in which the Company operates may differ materially from those described in, or suggested by, the forward-looking statements contained in these materials. The forward-looking statements in this report are made only as of the date hereof and the Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of current or future events or otherwise, except as required by law or applicable rules.



# Get Immersed...



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## Post Production Analysis

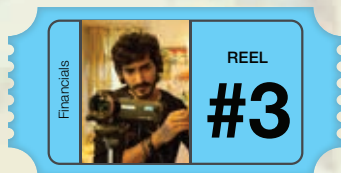
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# Content So Engrossing...

Content so engrossing that the urge to watch more keeps on growing. On the one hand is the captivating premium content from Eros repertoire; pairing on the other hand is a multitude of viewing options – theatres, television, online, offline – aptly augmented by new media, burgeoning technology and enhanced connectivity. Hunting in a pair, original content and viewing choices are culminating in entertainment being consumed at a pace never witnessed and at places least expected before.



We saw entertainment becoming the new oxygen well ahead of our peers. And, prepared hard. We prepared across technologies and digital platforms, and more importantly, across a content framework that addressed the individual needs of a wide spectrum of audience classes - children, adolescents and adults; parents and grandparents; singles, committed, familywalas - nuclear as well as joint; cosmopolitan, urban, and rural; Hindi speaking ones, Telugus and Tamils; brick and mortar as well as SVoD. All along, we kept a sharp eye on the genre diversity – romance, action, suspense, comedy, period and sequels.


We saw this future shaping up well in advance, drew our strategic blueprint and got going with precise execution. The future that we envisaged and prepared for in the last many years is unfolding. Right here, right now!

We take pleasure in unveiling the evolving face of entertainment of tomorrow in our Annual Report 2017-18. This entertainment knows no boundaries, play to the whims of the audience, syncs with her/his current mood, accompanies her/him all the way, all the time and most importantly, is content driven. It is not always dependent on the star cast or hefty dollars spent on grand production budgets. Welcome to the era of entertainment 24x7. Welcome to the era of **CONTENTainment.**










***“WITH THE  
APPROACHING  
CLIMAX OF THIS  
SUPER CUTE  
LOVE STORY,  
‘MERI NIMMO’,  
I HAVE TO GIVE  
MY SWIMMING  
SESSION AND  
TRAINER A MISS  
TODAY.”***

Gauri Pujari,  
Merchant Banker, Mumbai

A young woman with long dark hair is sitting outdoors, possibly on a pool ledge. She is wearing large blue over-ear headphones and holding a white smartphone in her left hand, looking at the screen with a smile. She is wearing a light blue crop top and blue jeans with a tear at the knee. The background shows a swimming pool, palm trees, and a building. A film strip graphic is overlaid at the bottom of the image.

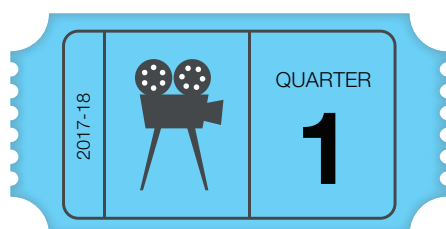
*Eros International Media  
Ltd. produces/acquires  
content for Eros Now,  
parent Eros International  
Plc's OTT service*



# The Trailer

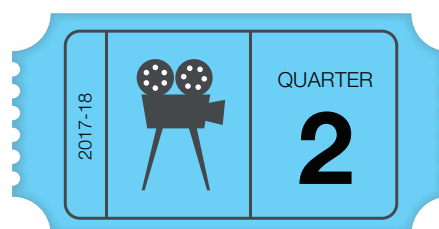
## Snapshot of the Year

### A Year of Amassing Content-scaling Partnerships and Film Slate



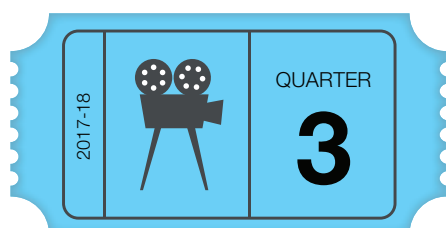
We signed a significant TV syndication deal with Zee Entertainment for the three forthcoming movies from our slate, namely, Sarkar 3, Munna Michael, and Shubh Mangal Savdhaan.

We announced a first of its kind Indo-Turkish co-production deal with Pana Films, a leading film studio, owned by the well-acclaimed Turkish actor Necati Sasmaz.



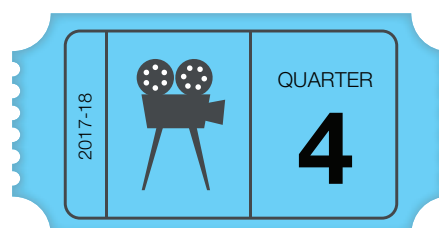
The release of Eros' first franchise film, Sniff – I Spy, was accompanied with the launch of a comic book series, arcade game and merchandise.

Newton, our political comedy-drama film got selected as India's official entry to the Oscars in 2018 under the language category of Best Foreign Film.



Eros announced its first animal themed film, Haathi Mere Saathi, a trilingual film to be shot in Tamil, Telugu and Hindi and deploying visual effects of a scale never seen before in any movie pertaining to the animal film genre.

We signed a four film co-production deal with Drishyam Films, a reputed film production house that has a knack to deliver compelling stories produced on relatively smaller budgets.

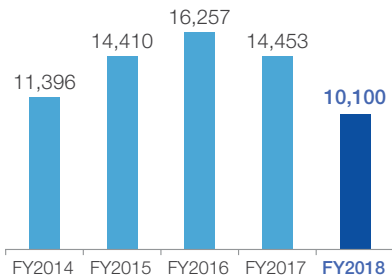


We entered into an equal joint venture partnership with the country's leading business house, Reliance Industries, to invest upto ₹ 10 billion to produce and acquire Indian films and digital originals across all languages.

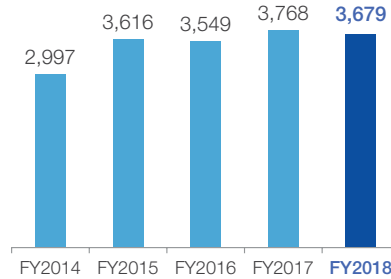
Bajrangi Bhaijaan, our 2015 blockbuster, got released in China and went on to gross ₹ 3 billion, engaging the Chinese audience with a soul touching cross-border story of love and compassion.

## Key Performance Indicators-FY2018

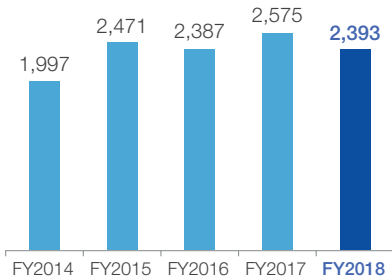
### REVENUE (₹ Million)



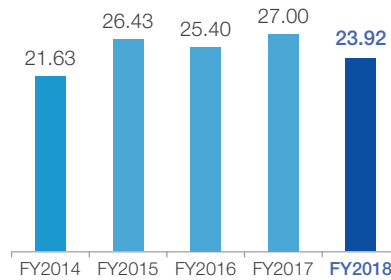
### EBIT (₹ Million)



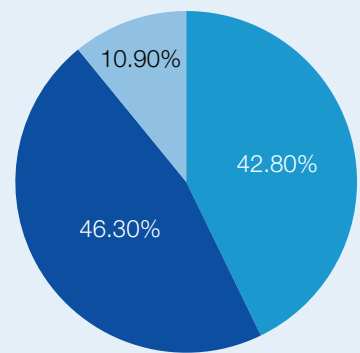
### PROFIT AFTER TAX (₹ Million)\*



### DILUTED EPS (₹)



### REVENUE MIX (FY2018)



■ Theatrical  
■ TV & Others  
■ Overseas

## Key Figures

(₹ Million)

FINANCIAL YEAR	FY2018	FY2017	FY2016	FY2015	FY2014
<b>PROFIT AND LOSS ACCOUNT HIGHLIGHTS</b>					
Revenues	10,100	14,453	16,257	14,410	11,396
Earnings Before Interest and Taxes (EBIT)	3,679	3,768	3,549	3,616	2,997
Profit After Tax (PAT)*	2,293	2,575	2,387	2,471	1,997
EPS (₹)	23.92	27.00	25.40	26.43	21.63
<b>BALANCE SHEET HIGHLIGHTS</b>					
Equity Share Capital	949.70	938.50	935.80	925.00	917.00
Net Worth	22,430	20,091	17,678	14,822	12,086
Property, Plant and Equipment and Intangible Assets (Excluding Goodwill)	26,915	27,065	25,983	22,322	16,197
Book Value Per Share (₹)	236.18	214.05	188.89	160.23	131.41

\* Profit after tax (PAT) After Minority Interest







# Films Released in FY2018

An Eclectic Spread of Love, Thrill, Laughter, Action, Drama...

## HINDI FILMS



Rukh



Mukkabaaz



Raid (Overseas)



Kadvi Hawa



Ribbon



Newton



Shubh Mangal Saavdhan



Munna Michael



Sniff



Sarkar 3



Door Bell



Sabrang



Dream Zindagi



Mera Bura Saaya

## REGIONAL FILMS



Rong Beronger Kori  
Bengali



Aamhi Doghi  
Marathi



Viswa Vikhyatharaya  
Payanmar  
Malayalam



Oru Kidayin Karunai  
Manu  
Tamil



Tujha Tu Mujha Mi  
Marathi



Posto  
Bengali



Aake  
Kannada



Baap Janma  
Marathi



Projapti Biskut  
Bengali

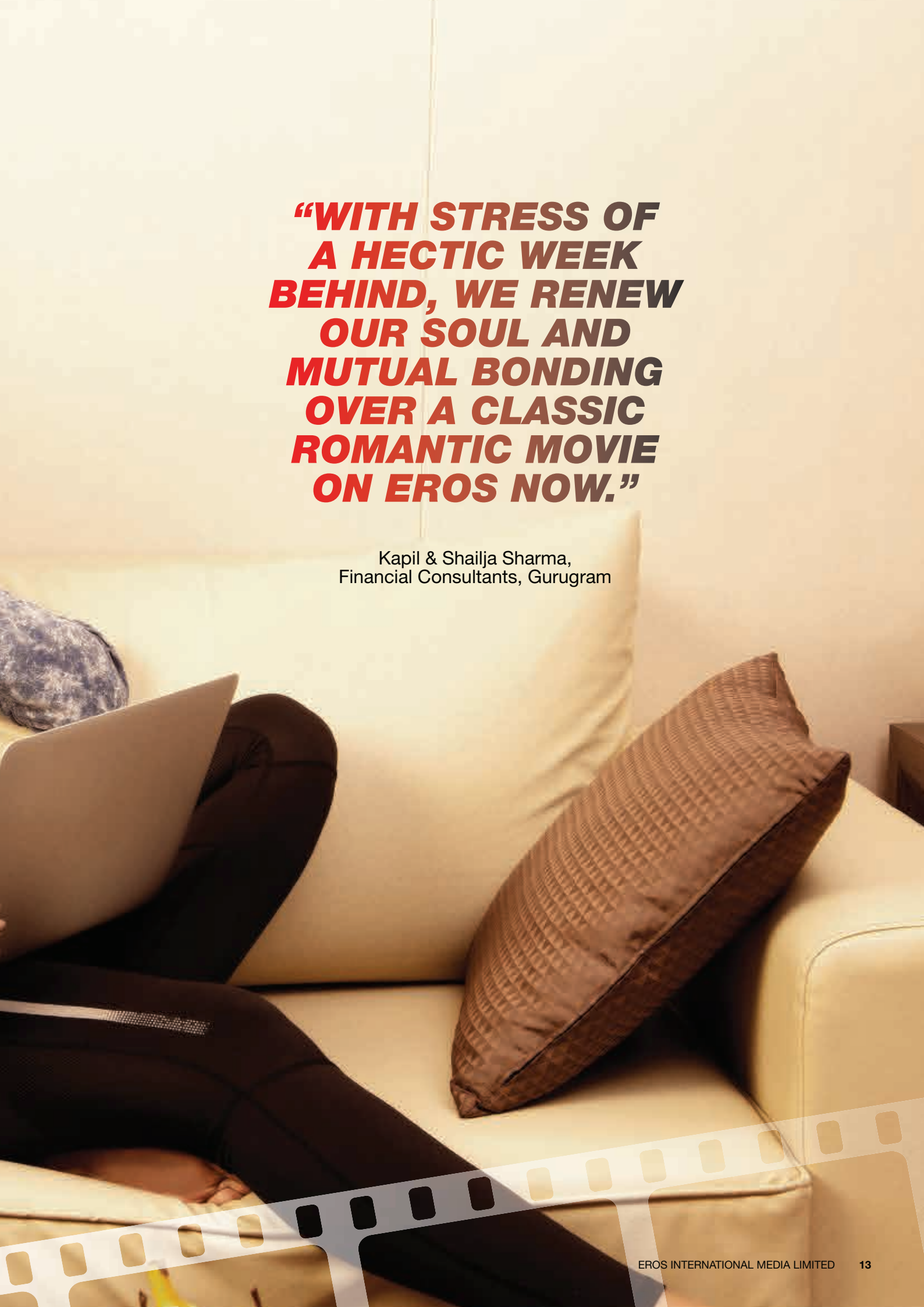


Boss 2  
Bengali





*Eros International Media Ltd.  
produces/acquires content for Eros  
Now, parent Eros International Plc's  
OTT service*



***“WITH STRESS OF  
A HECTIC WEEK  
BEHIND, WE RENEW  
OUR SOUL AND  
MUTUAL BONDING  
OVER A CLASSIC  
ROMANTIC MOVIE  
ON EROS NOW.”***

Kapil & Shailja Sharma,  
Financial Consultants, Gurugram

# Teasers FY2019 and Beyond

## Forthcoming Releases

### Forthcoming Film Content Slate\*

Film Name	Star Cast (Director/Producer)	Language	Tentative Release
Happy Phir Bhaag Jayegi	Sonakshi Sinha, Abhay Deol, Jimmy Shergill (Mudassar Aziz / Colour Yellow Productions)	Hindi	Q2 FY2019
Manmarziyaan	Abhishek Bachchan, Vicky Kaushal, Tapsee Pannu (Anurag Kashyap / Colour Yellow Productions)	Hindi	Q2 FY2019
Helicopter Eela (Overseas)	Kajol, Riddhi Sen, Tota Roy Chowdhury (Pradeep Sarkar)	Hindi	Q2 FY2019
Tumbbad	Sohum Shah, Harish Khanna (Colour Yellow Productions/ A Little Town Productions)	Hindi	Q3 FY2019
Namaste England (Overseas)	Arjun Kapoor, Parineeti Chopra (Vipul Amrutlal Shah)	Hindi	Q3 FY2019
Boyz II	(Everest Entertainment)	Marathi	FY2019
Haathi Mere Saathi	Rana Dugabatti (Prabhu Soloman)	Hindi / Tamil / Telugu	FY2019
Ticket to Bollywood	Amyra Dastoor, Diganth Manchale / (Eros)	Hindi	FY2019
Kaptan	Saif Ali Khan, Zoya and others (Navdeep Singh / Colour Yellow Productions)	Hindi	FY2019
Mumbai Pune Mumbai 3	Swapnil Joshi, Mukta Barve	Marathi	FY2019
Nervazhi	Nayanthara (Bharath Krishna)	Tamil	FY2019
Guru Tegh Bahadur	(Harry Baweja)	Punjabi	FY2019
Kaamiyab	Drishyam Films	Hindi	FY2019
Cobra	Gautam Ghulati, Tarun Khanna, Nyra Banerjee, Ruhi Singh, Director - Munesh Rawal	Hindi	FY2019
Untitled	Ravi Vasudevan	Malayalam	FY2019
Annum Pennum	Rajish Parameshwaran	Malayalam	FY2019
Untitled	Vijith Nambiar	Malayalam	FY2019
Untitled	(Homi Adajania / Maddock Films)	Hindi	FY2019
Jaita	Harman Baweja (Harry Baweja)	Hindi	FY2019
Ankhen 2	Amitabh Bachchan & Others	Hindi	FY2020
Shubh Mangal Savdhan - 2	(Colour Yellow Productions)	Hindi	FY2020
Panda (Indo-China)	(Kabir Khan)	Hindi	FY2020
Tannu Weds Manu 3	Aanand L Rai	Hindi	FY2020
Roam Rom Mein	Nawazuddin Siddiqui & others (Tanishtha Chatterjee / Rising Star Entertainment)	Hindi	FY2020
Chandamama Door Ke	Sushant Singh Rajput, Nawazuddin Siddiqui (Sanjay Puran Singh)	Hindi	FY2020
Pitch White	(Vipul Shah)	Hindi	FY2020
Untitled	(Rahul Dholakia / Next Gen Films)	Hindi	FY2020
Heer	(Colour Yellow Productions)	Hindi	FY2020
Fake	(Raj & DK)	Hindi	FY2020
Re-Union	(Sujoy Ghosh)	Hindi	FY2020
Hera Pheri -3	Suniel Shetty and others	Hindi	FY2020



Film Name	Star Cast (Director/Producer)	Language	Tentative Release
Phobia 2	(Next Gen Films - Pawan Kriplani)	Hindi	FY2020
2 Guns	(Krishna Jagarlamudi)	Hindi	FY2020
R. Rajkumar 2	(Prabhu Deva / Next Gen Films)	Hindi	FY2020
Khalifey	Sanjay Dutt, Saif Ali Khan, Arshad Warsi (Prakash Jha)	Hindi	FY2020
Make in India	(Next Gen Films)	Hindi	FY2020
Jugaadu	Harman Baweja	Hindi	FY2020
1234 (Part 2)	Suniel Shetty, Paresh Rawal (Ashwni Dhir)	Hindi	FY2020

## Eros Digital Content Slate\*

**Side Hero** with Rohan Sippy: Featuring Kunaal Roy Kapur as a fictionalised version of himself – the less successful younger brother of a hotshot Bollywood producer and star – this comedy-drama follows Kunaal trying to land a leading role in a bid to prove that his profession of acting is not just a ‘hobby.’ (Target release September 2018)

**Smoke:** An unflinching look at the politics within the drug mafia that resides in the intoxicant riddled underbelly of its tropical paradise, Goa. Smoke is led by an all-star cast including Jim Sarbh, Gulshan Devaiah, Kalki Koechlin, Mandira Bedi, Tom Alter amongst others. (Target release October 2018)

**Dashavatar** with Anirudh Pathak: When mankind became corrupt and greedy, Vishnu, the protector of the realms, incarnated to vanquish evil and save the world. Dashavatar tells this fascinating story of Vishnu’s reincarnations. (Target release December 2018/January 2019)

**Ponniyin Selvin** with Krish Jagarlamudi: A multi-seasonal, multi-lingual show based on the famous Tamil novels. Written in five volumes, Ponniyin Selvan narrates the story of Arulmozhiwarman – later crowned as Rajaraja Chola I - one of the kings of the Chola Dynasty, during the 10th and 11th centuries. (Target release March 2019)

**Flesh** with Siddharth Anand: An eight-year-old girl goes missing and her NRI parents are forced to seek the help of a suspended female cop in their search for her. An ex-human trafficker is blackmailed to join the search or else risk his sinful past catching with him. (Target release March 2019)

**Mrityulok** with Zeishan Qadri: A story that shows a mirror to the ruthless, selfish face of the society and how we all are culprits in a system that offers no incentive to “be good”. (Target release March 2019)

**Bhumi** with Pawan Kriplani: A survival thriller set in a dystopian version of Delhi which begs the question, how far is our reality from this supposedly fictional dystopia? (Target Release April 2019)

\* Indicative list, subject to change

“At Eros, we successfully premiered India’s first film to be digitally released, Aanand L. Rai’s first Eros Now original ‘Meri Nimmo’, on the platform in April 2019. A promising slate of originals are being produced internally in partnership with the best talent and consist of many fresh and global concepts that will entertain the audience.”



**Crisis** with Nikhil Advani and Gaurav Chawla: On the day of his 50th birthday, Dr Gopichand Wadhvani – one of India’s top cardiologists – decides to follow his childhood dream and become a rapper. Crisis is a story of two generations coming together to help each other get from life what they want. (Target Release May 2019)

**Sanyasi Raja** with Prakash Jha: A fictional depiction of the infamous Bhawal case of West Bengal, in which a possible imposter claimed to be the prince of Bhawal, who was at that point presumed dead for over a decade. (Target release June 2019)

**Kurukshetra:** The tribals thought they were Gods. The army thought they were militants. What they turn out to be, are five children with ‘superpowers’ emerging from a genetic mutation. And with destinies that, almost uncannily, resemble the trajectory of the Mahabharata. (Target release TBD)

**Blue Oak Academy:** A teen-drama thriller that follows one young boy’s quest to exact revenge with the most prestigious academic institution of the nation. (Target release June 2019)

Apart from this, Eros also has a selection of upcoming short form content and short film anthologies to accompany this slate.

# Scripting Engrossment

## *Executive Message*



### **Dear fellow owners,**

The confluence of the millennial audience and rapidly advancing technology juggernaut is creating a tectonic shift in the world of entertainment. The screens are getting smaller, viewing individualized, critique democratized and content diversified. The viewing hours and viewer base continue to rise. Entertainment is increasingly becoming omnipresent and all encompassing.

While theatre and television screens still rule the roost in delivering filmed entertainment, millennial consumers are geared up to swamp the scene now. Typical millennials – those born between 1981 and 1996 (aged 22 to 37 years in 2018) and post-millennials – are overly digital, prefer to buy almost everything – from clothes to food – online, are pretty cool using shared cars and don't fret about owning a television.

Content as the best bet for healthy RoI, digital viewing as the new normal and internationalization of audience beyond diaspora for Indian entertainment are the three undercurrents

that we, at Eros, sensed and seized well in time. All our energies and resources are being devoted in accelerating the pace and scale of our operations in line with these three factors.

The fiscal year, 2017-18 (FY2018), was a year of rebooting Eros on its path of enhanced profitability and sustained growth. It proved to be a landmark year that witnessed our EBIT and PAT margin expanding by 10.3% and 4.9%, respectively, while we contained our new releases to a modest 24 from 44 in the previous year. Restraint on higher budget films was a strategic decision taken due to our stringent green lighting and budgeting processes and with an objective to have low dependence on box office collections. We diverted all our focus to high RoI projects, with potentially low-risk profile. With the focus on compelling stories produced within prudent budgets across languages, de-risking investments with sizeable pre-sales and optimizing catalogue and ancillary revenues, the enhanced profitability of FY2018 bore testament to the efficacy of our business strategy and model.

Honing a pool of in-house creative talent and strategically partnering with film production entities with a proven content stickiness in India and elsewhere are two essential elements of our content-driven approach. An Indo-Turkish co-production deal with Pana Films of Turkey and another co-production deal with Drishyam Films during the year and the most recent partnership with Baahubali famed iconic writer, V Vijayendra Prasad, shall prove to be decisive enablers of our content prowess in the coming years. The selection of Newton, our political comedy-drama film, as India's official entry to Oscars 2018 and screening of our Tamil drama, Oru Kidayin Karunai Manu, at the 17th edition of 'The New York Indian Film Festival' as the official choice are prestigious validations that inspire us on the path of content centricity.

We released 24 films in FY2018, mostly medium and low-budget ones across genres and languages. Revenues during the year were driven by the release of sports-based dramas

**“The most significant development of FY2018 came in the form of an industry- defining partnership that we inked with Reliance Industries Limited in the fourth quarter of FY2018. In this strategic content creation and acquisition partnership, Eros and Reliance would invest a whopping ₹ 10 billion to produce and consolidate film and digital across India.”**

like Mukkabaaz, Raid (Overseas), Ribbon, Rukh, Kadvi Hawa; super hit comedy Shubh Mangal Savdhan, Newton, Munna Michael, Sniff, Sarkar 3, Aamhi Doghi (Marathi), Rong Beronger Kori (Bengali), Oru Kidayin Karunai Manu (Tamil), Tujha Tu Majha Mi (Marathi), Aake (Kannada), Posto (Bengali), Projapati Biskut (Bengali), Baap Janma (Marathi) and Boss 2 (Bengali). Our mix of movies from different genres has further strengthened our position as a Company that offers versatility and uniqueness in content.

Serving engaging and engrossing content is our hallmark. Consolidating the fragmented Indian filmed entertainment market is the fuel that drives this passion. With the changing market dynamics of the entertainment industry – with OTT markets driving the entertainment consumption – we are at vantage to leverage our capabilities of quality content and world-class technology-driven distribution. We have also broken an industry stereotype by successfully premiering India's first digital release, Meri Nimmo on Eros Now, our parent company's OTT platform. As we make new strides, we are confident that our film and digital content slate will contribute further to accelerate Eros Now's paid subscription growth, which in this year itself grew by 276%.

The most significant development of FY2018 came in the form of an industry defining partnership that we inked with Reliance Industries Limited in the fourth quarter of FY2018. In this strategic content creation and acquisition partnership, Eros and Reliance would invest a whopping ₹ 10 billion to produce and consolidate film and digital across India. The partnership adds significant strength to our existing content slate while mitigating investment risks - as we benefit by leveraging both our distribution networks. Expressing confidence in our capabilities and business prospects, Reliance Industries acquired a 5% equity stake in our parent company, Eros International Plc.

A shining star of our Board and our then Chairman, Mr. Naresh Chandra, left for his heavenly abode on July 9, 2017. Another esteemed colleague and insightful board member, Ms. Jyoti

Deshpande resigned from the role of being an executive director to undertake a new role with Reliance Industries at the beginning of FY2019. She, however, continues to be steering Eros Group in two capacities; first as a non-executive Director and second as a key decision maker in our content JV with Reliance Industries. The zeal, creativity, ardour and conviction of our employees form the bedrock of our current and future success. A big thanks to you – our valued shareholders, for your unequivocal support and trust in Eros. I also express my deep gratitude to our Board members for their relentless guidance and torch-bearing efforts.

We look forward to your support in weaving magic on the screen and good wishes to continue our entertainment journey...

Warm Regards,

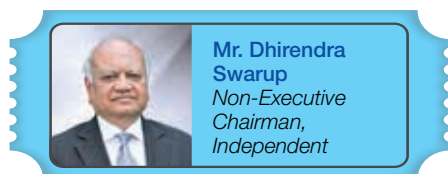
**Sunil Arjan Lulla**

Executive Vice Chairman & Managing Director



# Directing Blockbusters

## Board of Directors



A government-certified accountant and a member of the Institute of Public Auditors of India, Mr. Swarup holds a post-graduate degree in humanities. A career bureaucrat, he retired as secretary of Ministry of Finance, Government of India in 2005. He possesses a vast experience of 45 years in the finance sector and has also worked in the UK, Turkey and Georgia. Currently serving as the Chairman of Financial Sector Redress Agency, he is also on the Board of several listed companies besides acting as a member and the Chairman of several committees. In the past, he has held many key positions and responsibilities like being a member of the Board of the SEBI, a member of the Permanent High-level Committee on Financial Markets, chairman of the Pension Funds Regulatory Authority, Chief of the Budget Bureau of the Government of India, a member secretary of the Financial Sector Reforms Commission, chairman of Public Debt Management Authority Task Force, vice-Chairman of the International Network on Financial Education of OECD.



Mr. Lulla holds a commerce degree from the University of Mumbai. Possessing an expansive 25 year long experience in the Media & Entertainment industry, he has been associated with Eros since its inception. He led the Company's growth within India for many years before being appointed Executive Vice Chairman and Managing Director of Eros India on September 28, 2009. Mr. Lulla was reappointed to the same position on September 3, 2015 for another period of five years. During his stint, he has contributed tremendously in developing and expanding the Company's business in India. Under his able leadership, the Company continued to achieve milestones. He has been instrumental in developing the Company's distribution business along with its home entertainment and music segments.



The Executive Chairman and Group Chief Executive Officer of our parent Company, Eros International Plc., Mr. Lulla holds a bachelor's degree in Arts from Mumbai University. Possessing a rich experience of over 30 years in the filmed entertainment and media industry, he is a member of the British Academy of Film and Television Arts and Young Presidents' Organization besides serving on the board of the School of Film at the University of California, Los Angeles. Mr. Kishore Arjan Lulla has been instrumental in expanding the Company's presence in the United Kingdom, the U.S., Dubai, Australia, Fiji and other international markets. He is responsible for taking the Indian film industry to the global arena. A recipient of the 'Asian Business Awards' 2007, the 'Indian Film Academy Awards' 2007, and 'Entrepreneur of the Year' 2010, 'Global Citizenship Award' 2014, 'Entertainment Visionary Award' 2015, he has also featured on the 'Best under a Billion' 2014 list of Forbes Asia and got invited to attend the "billionaires' summer camp" in the Sun Valley.



Mr. Sood holds a masters degree in Physics from St. Stephen's College, Delhi University and a post-graduate in Economics and Defence Studies. He joined the Indian Foreign Service (IFS) in 1976 after briefly working at DCM and SBI. In his 36 years long diplomatic career, Mr. Sood served India's diplomatic missions in Brussels, Dakar, Geneva and Islamabad in varied capacities and as the Deputy Chief of Mission in Washington. Having set up the Disarmament and International Security Affairs Division at Delhi and heading it for eight years, he was responsible for multilateral disarmament negotiations relating to chemical and biological weapons, nuclear tests, etc., and establishing bilateral dialogues with the USA, Pakistan, France and the ASEAN Regional Forum. He has also served as an Ambassador on the Conference of Disarmament in Geneva, Afghanistan, Nepal and France, and been appointed as a Special Envoy of the Prime Minister (SEPM) for disarmament and non-proliferation issues. As a commentator, panelist and speaker on the foreign policy and international security issues, he keeps on addressing various forums, newspapers and television channels in India and abroad.



**Mrs. Jyoti Deshpande**  
Non-Executive,  
Non-Independent

In an illustrious media and entertainment career spanning 25 years, Mrs. Deshpande has gained a rich and diverse experience across advertising, media consulting, television and films domain. Having been a part of the leadership team of Eros International since 2001 and Group CEO & MD since 2012, she has spearheaded Eros' growth as a global leader in Indian filmed entertainment. She has been featured twice in Fortune India's coveted '50 Most Powerful Women in Business' list (2015/2017). In April, 2018, Mrs. Deshpande gave up her executive responsibilities to spearhead Reliance Industries' Media and Entertainment business as the President of the Chairman's Office, while she continues to serve on the Board as a non-executive Director.



**Mr. S. Lakshminarayanan**  
Non-Executive,  
Independent

Mr. Lakshminarayanan joined the Indian Audit and Accounts service in 1965. After holding various positions in the Audit and Accounts Department, he retired as the Deputy Comptroller and Auditor General in 2002. During the period, he served in the Ministry of Personnel and Pensions as Additional Secretary and earlier in the Railways and Ministry of Defense, Government of India. Several successful stints have helped Mr. Lakshminarayanan gain experience in cadre management, staff welfare, purchases and contracts, financial advice and accounting. With a commendable knowledge on the relevant rules and regulations, he has led offices comprising as many as 1500 employees. He has also provided direction, guidance and created administrative framework for the companies. Mr. Lakshminarayanan also has an international exposure.



**Mr. Sunil Srivastav**  
Non-Executive,  
Independent

Mr. Srivastav retired as the Dy. Managing Director, Corporate Accounts Group, from the State Bank of India (SBI). He was responsible for a large corporate credit exposure, including project and infrastructure financing for the bank. In an illustrious career spanning over three decades with the SBI, he rose from the ranks holding several leadership positions, including DMD – CSNB, CGM – Kolkata and GM – Delhi, accomplishing several achievements like initiating the Bank's foray into digital delivery of financial products and services, entry into the new lines of businesses, including identification and negotiation with global JV partners, managing and growing operations of a network of 1450 offices in Bengal, Sikkim and Andaman & Nicobar, and growing the bank's business in the mountainous terrain in the State of Uttarakhand.




**Mr. Naresh Chandra**  
Non-Executive  
Chairman,  
Independent\*

Mr. Naresh Chandra was our Non-Executive Chairman and Independent Director until his sad and sudden demise on 09 July, 2017 (from 28 September, 2009). Having joined the Indian Administrative Service in 1956, he served in many leadership roles including Chief Secretary in the State of Rajasthan; Commonwealth Secretariat Adviser on Export Industrialisation and Policy in Sri Lanka; Adviser to the Governor of Jammu and Kashmir; and Secretary to the Ministries of Water Resources, Defence, Home and Justice in the Federal Indian Government. He became Cabinet Secretary in 1990 and got appointed as Senior Advisor to the Prime Minister of India in 1992. He served as the Governor of Gujarat in 1995-1996 and Ambassador of India to the United States of America during 1996-2001. He had also chaired the Committee on Corporate Audit and Governance; the Committee on Private Companies and Limited Liability Partnerships and the Committee on Civil Aviation Policy, for the Government of India. He was honoured with the Padma Vibhushan in 2007.

\*Ceased to be the Chairman and Non-Executive Independent Director upon his sudden demise on 9 July, 2017.



A photograph of an office cubicle. In the foreground, a person's hand is holding a black mug with white text. In the background, a person is sitting at a desk in a cubicle, watching a movie on a tablet. The cubicle has a white desk and a grey partition. On the desk, there is a tablet showing a movie, a white mug, a red box of tissues, and a black folder. The background is slightly blurred.

***“A RUSHED LUNCH  
AT WORK HELPS  
STEAL SOME TIME  
TO WATCH A  
SHORT MOVIE ON  
EROS NOW.”***

Shikha Swaroop,  
Editor, Bengaluru

*Eros International Media Ltd.  
produces/acquires content  
for Eros Now, parent Eros  
International Plc's OTT service*





# Detour to the Studio

## *Business Profile*

We, at Eros International, are a pioneering corporate face of the Indian film entertainment industry. Flag bearing the cause of taking Indian cinema to the global standards and diverse audiences for almost four decades, we acquire, co-produce and distribute Indian films across theatrical, television, digital and ancillary formats. We are the owners of one of the largest movie library of over 2,000 films and counting. Our enviable library includes recent as well as classic titles that span across genres, budgets and languages. We deploy a multi-lever business model comprising the release of new films, catalogue sales of our library titles, syndication deals with TV channels, the overseas release of Indian language films among others.

Our robust distribution capabilities enable us to take films to every nook and corner of the country. The scale, variety and stickiness of entertainment content and consequent global monetization of this content through diverse channels, formats and media have been the key to our business growth.









## Television Distribution

We serve India, one of the largest and growing television markets in the world, by licensing high-quality Indian film content to satellite television broadcasters operating in India including Colors, Sony, the Star Network and Zee and a host of regional channels. We leverage television pre-sales of new releases towards revenue predictability and lowering the risk profile.



## Theatrical Distribution

India's theatrical market comprises both multiplex and single screen theatres, which are 100% digitally equipped. We distribute our content in all the 14 circuits predominantly through our own distribution offices, deploying sub-distributors on a selective basis. Own distribution network yields greater control, transparency and flexibility and also a larger share of revenue. Outside India, we distribute our films theatrically through our parent company, Eros International Plc., through its own offices in Dubai, Singapore, the USA, the UK, Australia and Fiji and other sub-distributors.

## Overseas Distribution

In overseas markets, we distribute our films through our parent company, Eros International Plc. The global audience comprises the South Asian diaspora as well as crossover audiences who consume Indian films subtitled or dubbed in their local languages. Our global reach spans more than 50 countries including the US, the UK, the entire Middle East region, Germany, Poland, Russia, Romania, Indonesia, Malaysia, Taiwan, Japan, South Korea, China. Our parent also deploys digital distribution of our content, primarily in IPTV, VOD (including SVOD and DTH) and online internet channels.



## Eros Now

Eros Now is our parent Eros International Plc's premiere OTT entertainment service under its digital arm- Eros Digital. Eros Now is accessible worldwide to viewers across internet enabled devices including mobile, web and TV. With 11,000+ digital titles that constitutes approximately 70% of the total Indian movie content available for streaming on digital platforms, Eros Now also has a bouquet of television shows, music videos and audio tracks, making it a single destination for unparalleled entertainment. While a majority of users are from India, Eros Now has registered users in 135 different countries.

Eros International Media Ltd. produces / acquires content for Eros Now.

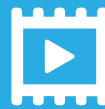


## Library Monetization

The success of our film distribution business lies in our ability to acquire and develop content. We have been building and adding to our film library for the past 40 years and each year, through acquisition and co-production arrangements, we seek to acquire rights to 40-50 additional films. We currently own or have license rights over approximately 3,000 films, including recent and classic titles that span different genres, budgets and languages. Each year, we focus on co-production, acquisition and distribution of a diverse portfolio of Indian language and themed films that we believe will have a wide audience appeal.

We have the ability to combine our new release strategy with our library monetization efforts to maximize our revenues. Our extensive film library provides us with a reliable source of recurring cash flow after the theatrical release period for a film has ended. In addition, because our film library is large and diversified, we believe that we can more effectively leverage our library in many circumstances by licensing not just single films but multiple films. The existence of high margin library monetization avenues especially in television and digital platforms reduce reliance on theatrical revenues.

## Our key competitive strengths



Leading co-producer and acquirer of new Indian film content, with an extensive film library

Established, worldwide, multi-channel distribution network with strategic partnerships in China, Russia and Turkey



Diversified revenue streams and pre-sale strategies mitigate risk and promote stable cash flow generation

Strong brand with fast growing international reach



Strong and experienced management team with established relationships with key industry participants.

# Cross-cultural Content Appeal and Reach

## *Content and Distribution Tie-Ups*

Though over a small base, our growth from non-diaspora international markets has been picking pace continuously, reflecting a growing appetite for the content of the Indian Film Industry in many new markets.

### China

One of our strongest potential markets, China, with a market size of \$ 6.2 billion and almost 41,000 screens is projected to grow beyond 80,000 by FY2021, nearly twice the screen count of the United States. Our memorandum of understanding to collaborate with China Film Corp., Shanghai Film Group Co. Ltd. and Fudan University Press Co. Ltd. to co-produce and distribute Sino-Indian films will be an important step in maximizing our opportunity in China. Two projects will be co-produced with a leading Chinese studio, based on stories organically weaving the socio-cultural worlds of India and China. Additionally, the films will be shot simultaneously in both Chinese and Hindi.

### Turkey

Original stories blending Indian and Turkish cultures will be conceptualized and developed by our in-house writers along with top Turkish writers. We are also partnering with Pana Film, one of the largest Turkish film studios for Indo-Turkish co-productions.

### Russia

Eros also has a distribution partnership with Central Partnership in Russia, which has opened new markets for Eros releases.

### UAE

Eros also partnered with Phars Films, one of the UAE's largest film distribution and exhibition networks.

These strategic partnerships not only help Eros augment its in-house content production model, but also expand the geographical canvas for content monetization.



We entered the China market in fiscal year 2018 by releasing Bajrangi Bhaijaan across more than 8,000 screens in March 2018. The movie has grossed approximately ₹ 3 billion at the box office.







# Bolo Kya Dekhoge

*Entertainment 24X7*

Continuing its momentous run beyond FY2018, our OTT platform, Eros Now has been scripting newer chapters in online streaming space of Indian film and ancillary content. Returning an overwhelming 276% growth in paying subscriber base in FY2018, Eros Now crossed 10 million mark of paying subscribers in the first quarter of FY2019. As of June 30, 2018, Eros Now was catering to 113 million registered users and 10.1 million paying subscribers worldwide with the promise of endless entertainment.

**11,000+**

Digital Rights

**5,000+**

Into Perpetuity

**20+**

Original Shows in  
Production

*Eros International Media Ltd. produces / acquires content for Eros Now.*



**BIGGEST STARS BLOCKBUSTER MOVIES!**

**EROS NOW**

**BOLO KYA DEKHOGEY?**

Download on the App Store | GET IT ON Google Play

**CHOOSE FROM 11,000+ MOVIES | DOWNLOAD THE APP**

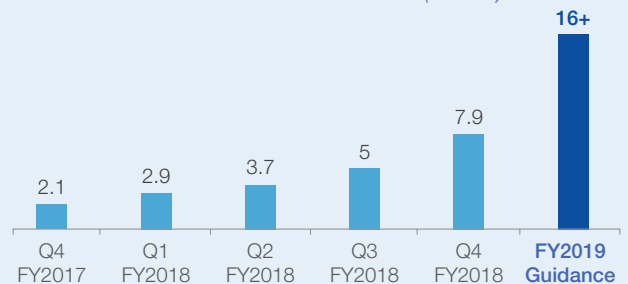
Adding fuel to its swelling brand salience, we launched a high-intensity campaign, Bolo Kya Dekhoge. In April 2018, Eros Now made its IPL debut in Season 11 as the title sponsor of Virat Kohli captained team, Royal Challengers Bangalore (RCB). Eros now entered into a partnership with Sri Lanka's leading service provider Dialog to give Sri Lankans best in regional content with its vast content library.

Eros Now has inked strategic partnership deals with leading telcos like Jio, Vodafone, Airtel and Idea Cellular and also OEM brands. Eros Now has a large number of marketing partnerships across lifestyle, FMCG, banking and technology brands like State Bank of India (SBI), Gold's Gym, Paytm, Nature's Basket, Voonik and Xiaomi. Eros Now's recent exclusive partnership with InMobi has opened avenues for brands and advertisers to experience an end-to-end playbook that spans innovative video and ad formats, dynamic in-content placement of high-quality movies, and music videos and originals across devices.

Eros Now is gearing up to launch a stable of feature films, made-for-digital originals films and over 20 original episodic

programs, all of which will be available exclusively on Eros Now to paying subscribers. Three original series, Side Hero, Flip and Smoke are slated to be launched in the third quarter of FY2019. Originals will feature popular names like Rohan Sippy, Kunal Roy Kapoor, Rajat Kapoor, Siddharth Anand and Pavan Kriplani in various capacities. Eros Now is confident of breaching 16 million mark of paying subscribers by the end of FY2019. This is expected to contribute significantly to revenue growth at Eros International Media Ltd. as it produces and acquires content for Eros Now.

**RAPID GROWTH IN PAYING SUBS** (Million)



**135**

Countries  
including India

**10.1 mn**

Paying  
Subscribers

**113 mn**

Registered  
Users

**BEST OF BOLLYWOOD. ANYTIME. ANYWHERE.**  
**CHOOSE FROM 11,000+ MOVIES**

**EROSNOW**  
**BOLO KYA DEKHOGHEY?**

DOWNLOAD THE APP

Download on the App Store | GET IT ON Google Play

# As the Plot Unfolds

## *Eros Group Evolution*

Commenced business by acquiring international IP rights for Indian content



Adoption of vertically integrated mode

Became the first Indian media company to list on London Stock Exchange

Launch of You Tube Channel

SVOD agreement with Comcast

Early adopter of VHS distribution

Established Global Distribution network outside India

Launch of first digital Bollywood TV network B4U



Eros Now official marketing launch  
(July 2015)

Expanded distribution partnerships  
in India and overseas



Launched digital distribution  
channel HBO and Eros Now

Announced Techzone Acquisition

Listed Eros International Media  
Limited on the BSE and NSE

Listed Eros Plc on NYSE Euronext



Investment and Content Joint  
Venture with Reliance Industries

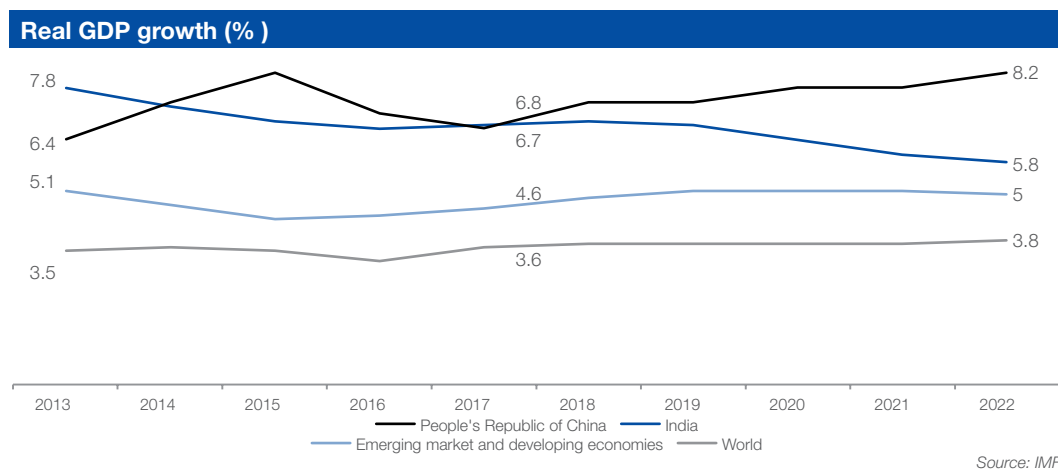
Eros Now crosses 113M  
registered users (June 2018)

# Management Discussion and Analysis

## The Indian economy has a promising outlook

The calendar year 2017 was a good year for the Indian economy. Retail inflation was the lowest in almost four decades, the rupee strengthened against the US dollar for the first time in seven years and several reforms such as the Goods and Services Tax (GST), recapitalization of banks and the Insolvency and Bankruptcy Code were implemented.

In November 2017, backed by the potential of the reforms to strengthen the economy, Moody's Investor Service upgraded India's sovereign credit ratings from Baa3 to Baa2 and changed the outlook from stable to positive. Going forward, International Monetary Fund has projected that India will be the fastest growing economy in the world. Driven by strong tailwinds of private consumption growth, the media and entertainment industry is expected to grow well in the forthcoming years.



## The Media and Entertainment sector grew to ₹ 1.5 trillion

The Indian economy is growing and the growth in Media and Entertainment sector is a reflection of this. Favourable demographics, a rise in consumer income, an ability to consume entertainment on multiple platforms and 'on the go' has created a huge propensity for the growth of Media and Entertainment industry in the country.

As per FICCI-EY Report 2018 edition, the Indian M&E sector reached ₹ 1.5 trillion (US\$ 22.7 billion) in 2017, a growth of almost 13% over 2016. With its current trajectory, it is expected to cross ₹ 2 trillion (US\$ 31 billion) by 2020, at a CAGR of 11.6%.

All figures are gross of taxes (₹ in billion)

Segment	CY 2016	CY 2017	CY 2018E	CY 2020E	CAGR 2016-20
Filmed Entertainment	122	156	166	192	11.9%
Television	594	660	734	862	9.8%
Print	296	303	331	369	5.7%
Digital Media	92	119	151	224	24.9%
Animation and VFX	54	67	80	114	20.4%
Live Events	56	65	77	109	18.0%
Online gaming	26	30	40	68	27.5%
Out of Home media	32	34	37	43	7.7%
Radio	24	26	28	34	8.6%
Music	12	13	14	18	10.6%
<b>Total</b>	<b>1,308</b>	<b>1,473</b>	<b>1,660</b>	<b>2,032</b>	<b>11.6%</b>

## Indian Film Industry grew by 27% in CY2017

The robust growth was on the back of box office growth - both domestic and international - coupled with increased revenues from sale of satellite and digital rights. All sub-segments, with the exception of home video grew and the film segment reached ₹ 156 billion in 2017. The overseas box office growth was driven by the surging popularity of the Bollywood films in the China market.

## DOMESTIC THEATRICALS

### Content Consumption trends

Hindi films comprise the majority component of the Indian film segment. They contribute almost 40% of the domestic box office collections annually, despite comprising only 17% of the films released. Films in 29 other Indian languages

account for approximately 75% of the films released and they contribute approximately 50% to the annual domestic box office collections. Hollywood and international films comprise the balance.

Revenues	2016	2017	2018E	2020E
Domestic theatricals	85.6	96.3	103.0	118.0
Overseas theatricals	8.5	25.0	25.0	28.0
Broadcast rights	16.0	19.0	20.0	22.0
Digital /OTT rights	6.0	8.5	10.0	14.5
In-cinema advertising	5.9	6.4	7.5	9.0
Home Video	0.4	0.3	0.2	0.2
<b>Total</b>	<b>122.4</b>	<b>155.5</b>	<b>165.7</b>	<b>191.7</b>

(Gross of taxes, ₹ billion)

#### Relatable and niche content driving success at box office

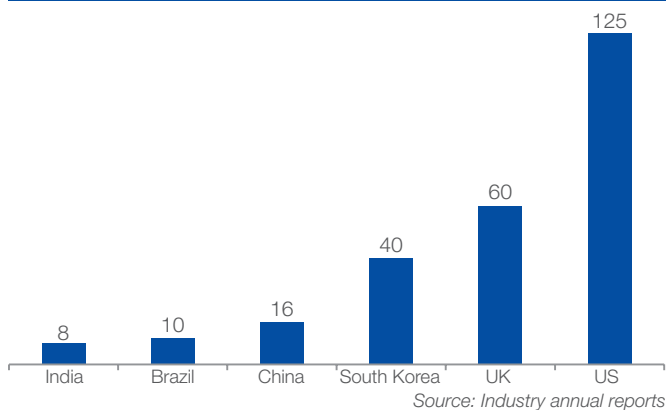
Trends of 2017 re-iterated that content was king and it was the story, above everything else, that made a film successful. Save a few exceptions, in 2017, cohesive storytelling took precedence over mindless cinema. From Shubh Mangal Savdhan to Newton, content-backed cinema triumphed over 'formula' films displaying the changing tastes and growing maturity of the audiences as they embrace a wide variety of themes and experiences. The year also strengthened the trend of filmmakers shifting locations to the hinterland to contextualize their stories in Tier-II and Tier-III towns, which added depth and familiarity to the script and characters. This trend reflected the lives of the majority of middle-class audiences who unarguably enjoyed, but could never really connect to, the glitz and glamour of big cities. The year also saw success of cinema not driven solely by stars but by content delivered by competent actors.

#### Regional

One major trend in the regional cinema has been the increased consumption of dubbed films. The spectacular success of Baahubali 2: The Conclusion, a Tamil-Telugu bilingual dubbed in Hindi, took regional cinema to new heights in 2017. Tamil and Telugu cinema remains the mainstay of the regional cinema. The segment also benefitted from remake rights value as well as increased consumption of its dubbed films on Hindi film channels as well in the cinemas. 2017 was a very successful year for the Malayalam films with the satellite revenues being a healthy contributor. Bengali and Marathi films that are known for their content also have shown a potential for appealing to wider audiences with a Bengali film, Amazon Obhijaan setting a trend by being dubbed in five languages; Hindi, Tamil, Telugu, Oriya, and Assamese. Going one step forward, Eros International Media is leading this trend with an elephant film that is going to be shot simultaneously in the 3 largest film languages; Hindi, Telugu and Tamil. With the production and print and advertising costs being relatively low, the Regional cinema offers an attractive ROI opportunity for film studios that have developed trustworthy relationships and capabilities in regional cinema.

#### India is an under-screened market

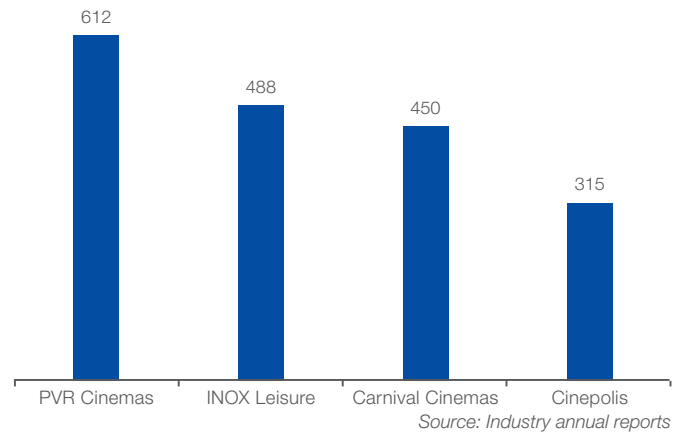
##### Screens per million of population



Despite producing the most number of films in a year, India stands as one of the most highly underpenetrated markets among major countries with 8 screens per million of population. This is primarily due to lack of penetration of cinema exhibition players in Tier-II, Tier-III and Tier-IV markets, hence leaving a large market with limited screen presence.

However, the next wave of growth at multiplexes is expected to come by means of organic expansion in semi-urban areas. This is after opportunities for consolidation that led to a series of acquisitions and consolidation of screen counts in the high spending urban markets are mostly exhausted and therefore, deeper penetration in the semi-urban markets will be witnessed in the coming years.

#### Number of screens for top 4 multiplex chains in 2017



#### Overseas theatricals segment growing strongly

Overseas theatricals contributed approximately 16% to the overall segment's revenue in 2017 and have emerged as a fast growing revenue stream for film studios. Apart from the growing international appeal of the Indian films globally, the main reason for this is the rising popularity of Bollywood content in the China market.

The Aamir Khan-starring film Dangal became the highest grossing non-Hollywood film in China ever with earnings amounting to US\$ 169 million. Similarly, Bajrangi Bhaijaan which released almost 2 years after its release in India grossed an impressive US\$ 50 million which was almost in line with its India box office numbers. This is noteworthy as China wasn't considered part of the 'traditional' foreign market for Indian films-which includes regions such as the North America, United Kingdom, Middle East, South East Asia which have a strong presence of the South Asian diaspora. Overall, leading Studios such as Eros International now release content in over 50 countries globally and in over 27 dubbed or sub-titled languages pointing to the growing global appeal of India content. Even as Indian economy is getting better integrated across the world, Indian content is attracting crossover audiences in markets such as Germany, Japan, South America and many others which have a limited presence of the diaspora audience.

#### TV viewing households grew to 183 million

Of the estimated 286 million households in India, TV penetration reached 64% taking the total number of TV viewing household to 183 million in 2017, which is a 3.5% growth over 2016. This accounted for approximately 780 million viewers. 83% of the total TV households were paying households.

	2016	2017
Cable	100.5	98.5
DTH	49	52
HITS	0.5	1.5
Free TV	26	31
<b>Total</b>	<b>176</b>	<b>183</b>

(Television households in million)



More than a third of the total television viewership is generated by films. Film channels and GEC's are the main buyers for Broadcast rights. Broadcast rights grew to ₹ 19 billion in 2017 from ₹ 16 billion in 2016, a growth rate of 18.7%.

Film content has also helped to grow the advertising revenues for major broadcasters due to the launch of Free dish channels namely; Star Utsav Movies, Zee Anmol Cinema, Sony Wah and Viacom's Cineplex. The pricing of the TV rights have remained firm as these channels use film content to penetrate into the rural households where films enjoy a very wide viewership and star appeal.

### Other Film segment trends

#### 1. More films turned profitable

Of the leading 50 Hindi films, the number of films which were able to record a positive return of more than 100% over their investment increased from 8 in 2016 to 14 in 2017. However, a few films with big stars and big budgets failed to generate the profits despite being among the top grossers for the year, suggesting good box office performance is not a guarantee for returns. On the other hand, many middle and smaller budget films delivered good profitability.

#### 2. Digital and events increased their importance in the marketing mix

A film's promotion budget is highest on television but is growing significantly in digital and to some extent on print and radio with activation and outdoor comprising of the balance. Digital and social media is playing a growing role due to its wide outreach amongst the target audiences and cost effectiveness, making a departure from a 'single-event' launch or press interaction to an entire campaign spanning weeks or months. Core innovations in film marketing today include word of mouth screenings, co-branding, digital alliances, in-film integrations, promotional events with cast and crew involvement, social media, trailer launches in cinemas apart from the mass media usage.

#### 3. Collaborations with foreign studios are increasing

India is witnessing a rise in collaborations between Indian production houses and foreign studios. Eros International has been leading this development with China's Huaxia Film Distribution Co Ltd and Peacock Mountain Culture & Media to co-produce Sino – Indian films. These include Kabir Khan's travel drama The Zoo Keeper and Siddharth Anand's cross-cultural romantic comedy Love in Beijing which are in development and pre-production and which require local approval from the China film bodies to qualify as local films.

#### 4. Small-budget different themed films are going mainstream

The past few years witnessed many small budget, niche films with high-quality scripts made a mark in with hits Shubh Mangal Savdhaan, Newton, Neerja and Hindi Medium posting significant revenues despite low to modest star appeal.

### Music

The size of the music industry based on music labels revenues was approximately ₹ 9.2 billion in 2017. Sale of digital music accounts for about 65% of the overall music sales in India. Further, in the music industry, songs related to movies accounts for about 80% of the music revenues.

### Digital rights are getting more valuable

The advent of large OTT platforms in India such as Netflix, Amazon, Jio Cinema, etc, apart from OTT offerings of various telecom companies and broadcasters, has significantly increased the demand for films' digital rights. This has increased the library value of players such as Eros Now who has the largest Indian language movie content library worldwide with over 11,000 digital titles, out of which approximately 5,000 films are owned in perpetuity. We expect this value to continue to be high in the near future, as demand for content continues to rise on the back of growing smart phone and broadband user base.

The rapid adoption of connected devices, especially smartphones and tablets, is instrumental in media consumption shifting beyond traditional media formats such as broadcast and cable TV toward digital mediums with the time availability for media consumption sky rocketing due to the ability to consume it 'on the go'.

### Subscriber base of mobile users increased

As per Telecom Regulatory Authority of India (TRAI) there were over 1.2 billion wireless subscribers in India at the end of February 2018. The number of wireless internet users in India is likely to reach 829 million by 2021. The adoption of 4G is gradually increasing and now 3G and 4G constitute over 75% of the overall wireless internet user base. Initiatives such as broadband rollout and public Wi-Fi as part of the government's Digital India campaign and the promotion of 4G data packs by leading telecoms will only help boost the quality of digital infrastructure in India.

### India has the second largest online video audience

At 250 million, India has the second largest online audience (behind China) which is expected to reach ~500 million by 2020, a 2x growth driven by rapidly increasing mobile penetration, increasing Internet speeds, advent of 4G and falling data charges.

### Low-cost smartphone options increased

One of the key events of 2017 was the launch of low-cost smartphones. Jio launched its ₹ 1,500 smartphone, and Airtel announced a smartphone priced around ₹ 2,000-2,500. These devices come with bundled data plans, as well as Wi-Fi connectivity, and will enable deeper penetration of internet services and digital media.

### COMPANY OVERVIEW

Eros International Media Limited (Eros International) is a leading global Company in the Indian filmed Entertainment Industry which co-produces, acquires and distributes Indian language films in multiple formats worldwide. Our success is built on the relationships we have cultivated over the past 40 years with leading talent, production companies, exhibitors and other key participants in our industry. Leveraging these relationships, we have aggregated rights to over 2,000 films in our library, including recent and classic titles that span different genres, budgets and languages, and we have distributed a portfolio of over 125+ new films over the last three completed fiscal years. Film distribution across theatrical, overseas and television and others channels along with library monetization provide us with diversified revenue streams. Furthermore, Eros International Media Limited and Reliance Industries Limited have partnered in India to jointly produce and consolidate content from across India. The parties will equally invest up to ₹ 10 billion to produce and acquire Indian films and digital originals across all languages.

The Group has largest distribution network for Indian films worldwide. The distribution network spans over 50 countries, with offices in India, the UK, North America, United Arab Emirates, Australia, Fiji, Isle of Man and Singapore.

### STRATEGIC OVERVIEW

- Scaling up productions and co-productions including developing our own intellectual properties in-house and through our Joint venture company, Colour Yellow Productions Pictures, to release high quality content globally and augment our content library.
- In partnership with Reliance Industries Limited, jointly produce and consolidate content from across India. The parties will equally invest up to ₹ 10 billion to produce and acquire Indian films and digital originals across all languages.
- Creation of never seen before digital content for Eros Now, our parent Eros International Plc's OTT digital entertainment service and evolve it as the preferred choice for online entertainment by consumers across digital platforms.
- Expand our regional language content offerings to include films in more regional languages.

- Foray into international co-productions with promising markets such as China, Russia and Turkey
- Broaden the avenues for monetization of the Company content through existing and evolving revenue streams.

## HUMAN RESOURCES

Within our strategic roadmap, we had 5 distinct themes that guided our actions. **Position Human Resources** to support senior leadership in executing on the priorities for the organization. **Enhancing HR systems & process** solutions to serve our employees better while ensuring accountability through policy and reporting. This through the introduction of a newly launched HRMS (Human Resource Management System). **Maximizing efficiencies** and effectiveness in business through process standardization. Our quest to becoming **Employers of choice** with our ability to retain, motivate, develop and continue to attract the best talent market has to offer through a stringent promotion, Internal recruitment and job rotation process. Our reward and recognition program forms a core

part of the exercise. In order to maintain market leader's position of being an attractive employer, the company has developed global guidelines on diversity, equal rights and against discrimination. **Employee relations & listening post** through an open door policy giving every employee the right and opportunity to discuss any work related issues directly with the management. In order for us to do so, we have aligned the workplace layout and seating to foster the said culture.

## CAUTIONARY STATEMENTS

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in Government regulations, tax laws and other factors such as litigation and industrial relations.



# DIRECTORS' REPORT

To,  
The Members  
Eros International Media Limited  
Mumbai

Your Board of Directors are pleased to present 24<sup>th</sup> Annual Report of Eros International Media Limited (hereinafter referred to as "the Company") covering the business, operations and Audited Financial Statements of the Company for the financial year ended 31 March 2018.

## 1. FINANCIAL RESULTS

The Financial Performance of your Company for the year ended 31 March 2018 is summarized below:

₹ in Lakhs

Particulars	Standalone Year Ended		Consolidated Year Ended	
	2017-18	2016-17	2017-18	2016-17
Sales and other Income	72,857	1,16,466	1,01,001	1,44,528
<b>Profit before Tax</b>	<b>14,043</b>	<b>21,100</b>	<b>28,735</b>	<b>32,223</b>
Less: Tax Expenses	6,342	8,061	5,613	7,894
<b>Net Profit for the year from continuing operation</b>	<b>7,701</b>	<b>13,039</b>	<b>23,122</b>	<b>24,329</b>
<b>Profit for the year attributable to:</b>				
Equity shareholders of the Company	-	-	22,934	25,745
Non-controlling Interests	-	-	188	(1,416)
<b>Other Comprehensive Income/(Loss) (net of taxes)</b>	<b>56</b>	<b>(22)</b>	<b>51</b>	<b>(460)</b>
<b>Total Comprehensive Income for the Year</b>	<b>7,757</b>	<b>13,017</b>	<b>23,173</b>	<b>23,869</b>
<b>Attributable to:</b>				
Equity Shareholders of the Company	-	-	23,207	24,813
Non-controlling Interests	-	-	(34)	(944)
<b>EPS (Diluted) in ₹</b>	<b>8.03</b>	<b>13.68</b>	<b>23.92</b>	<b>27.00</b>

## 2. FINANCIAL PERFORMANCE

On a consolidated basis, the Company has recorded the revenues of ₹ 101,001 Lakhs which was lower by 30.12% as compared to previous year of ₹ 1,44,528 Lakhs. The profit before tax decreased by 10.82% to ₹ 28,735 Lakhs as compared to previous year of ₹ 32,223 Lakhs. The Profit After Tax attributable to equity shareholders was ₹ 22,934 Lakhs decreased by 10.92% as compared to previous year of ₹ 25,745 Lakhs. Diluted EPS decreased by 11.41 % to ₹ 23.92 as compared to previous year of ₹ 27.00.

On a standalone basis, the Company has recorded the revenues of ₹ 72,857 Lakhs which was lower by 37.44% as compared to previous year of ₹ 1,16,466 Lakhs. The profit before tax decreased by 33.45% to ₹ 14,043 Lakhs as compared to previous year of ₹ 21,100 Lakhs. The Profit After Tax at ₹ 7,701 Lakhs was lower by 40.94% as compared to previous year of ₹ 13,039 Lakhs. Diluted EPS decreased by 41.30% to ₹ 8.03 as compared to previous year of ₹ 13.68.

## 3. OPERATIONAL PERFORMANCE

During the Financial Year 2017-18, your Company released a total of 24 Films, of which 1 was high budget, 4 medium budget and 19 low budget Films as compared to 44 Films released in corresponding period last year, of which 5 were high budget, 10 medium budget and 29 low budget Films. Amongst the 24 Films released during the financial year 2017-18, 14 were Hindi Films, 1 was Tamil/Telugu Film and 9 were other regional language Films.

Major releases for FY 2017-18 included: Sarkar 3 (Hindi), Munna Michael (Hindi), Sniff (Hindi), Shubh Mangal Savdhaan (Hindi), Newton (Hindi), Mukkabaaz (Hindi), Oru Kidayin Karunai Manu (Tamil), Viswa Vikhyatharaya Payyanmar (Malayalam), Tujha Tu Majha Mi (Marathi), Aamhi Doghi (Marathi), Aake (Kannada), Posto (Bengali) and others.

In the Financial Year 2018-19, we continue to be focused on ramping up our own productions and co-productions through key partnerships. These partnerships include our partnership with talented producer-director, Aanand L Rai (Colour Yellow Production) and our partnership with Reliance to equally invest up to ₹ 1,000 Crores to produce and acquire Indian films and digital originals across all languages. This investment will dramatically scale Eros' capabilities in content production, marketing, and distribution.

Your Company's key asset is a film library of over 2,000 films. In an effort to reach a wide range of audiences, we maintain rights to a diverse portfolio of films spanning various genres, generations and languages. These include rights to films in Hindi and several regional languages, Tamil, Telugu, Kannada, Marathi, Bengali, Malayalam and Punjabi.

## 4. DIVIDEND

With a view to conserve resources and to strengthen the financial position of the Company, your Directors did not recommend any dividend to its shareholders for the financial year 2017-18.

The Dividend Distribution policy adopted by the Company in terms of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations") is uploaded on the website of the Company at [www.erosintl.com](http://www.erosintl.com).

## 5. RESERVES

No percentage of profits was transferred to General Reserve as dividend was not recommended for the financial year 2017-18.

## 6. EMPLOYEES' STOCK OPTION SCHEME & CHANGES IN SHARE CAPITAL

During the year under review and in pursuance of the authority granted by shareholders at the Annual General Meeting of the

Company held on 28 September 2017, your Board had approved the Eros International Media Limited - Employee Stock Option Scheme 2017 ("**EROS ESOP 2017**"), which was prepared in accordance with Companies Act, 2013 (the "Act") and SEBI (Share Based Employee Benefits) Regulations, 2014 read with necessary circulars/notifications issued thereto for the issue and allotment of grant of stock options to the employees of the Company as well as to the employees of its holding and subsidiary companies. During the financial year 2017-18, the Board of Directors of the Company, on the recommendations of Nomination and Remuneration Committee had granted an additional 8,64,014 stock options to the employees of the Company and its subsidiary companies under EROS ESOP 2017.

During the year under review, the Nomination and Remuneration Committee of the Board had issued and allotted 11,13,160 Equity Shares of the Company to employees of the Company and its subsidiaries against exercise of equal number of stock options pursuant to Eros Employee Stock Option Scheme 2009 ("**EROS ESOP 2009**"). This resulted in increase in the Company's Paid up Share Capital to ₹ 94,97,18,770 as on 31 March 2018 as against ₹ 93,85,87,170 in the previous year.

The disclosures as required under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015, is attached as **Annexure A** hereto and is also available on website of the Company at [www.erosintl.com](http://www.erosintl.com). A certificate from the Statutory Auditors certifying that both the schemes viz. EROS ESOP 2009 and EROS ESOP 2017 has been implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution(s) passed by the shareholders would be placed at the Annual General Meeting of the Company for inspection by the Members.

## 7. SUBSIDIARY COMPANIES

On 1 October 2017, Copsale Limited ("**Copsale**"), a company incorporated under the laws of British Virgin Island and the wholly-owned subsidiary of the Company had disinvested its 51% stake in Ayngaran International Limited, an Isle of Man company. With the aforesaid disinvestment, following step down subsidiary companies ceased to be the subsidiary of the Company:

- a. Ayngaran International Limited (Isle of Man),
- b. Ayngaran International (UK) Limited, United Kingdom
- c. Ayngaran International Mauritius Limited, Mauritius
- d. Ayngaran International Media Private Limited, India
- e. Ayngaran Anak Media Private Limited, India

As on 31 March 2018, the Company has Ten (10) subsidiaries. There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Act. There has been no material change in the nature of the business of the Company and its subsidiaries. Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries, their performance and financial position in the prescribed Form AOC-1 is annexed to this Report as **Annexure B**.

None of the subsidiary companies except Copsale Limited (a British Virgin Island Company) are material subsidiary in terms of Regulation 16(c) of the SEBI Listing Regulations and in accordance with Company's policy on "Determination of Material Subsidiaries", which is uploaded on the website of the Company at [www.erosintl.com](http://www.erosintl.com).

In accordance with Section 136 of the Act, the financial statements of the subsidiary companies are available for inspection by the members at the Corporate Office of the Company during business hours on all days except Saturdays, Sundays and public holidays between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting of the Company. Any member desirous

of obtaining a copy of the said financial statements may write to the Company Secretary at the Corporate Office of the Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of the Company at [www.erosintl.com](http://www.erosintl.com).

## 8. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board had re-designated Mr. Dharendra Swarup as Chairman and Non-Executive Independent Director of Company w.e.f. 11 August 2017 due to sudden demise of Mr. Naresh Chandra, the Chairman and Non-Executive Independent Director of the Company on 9 July 2017. The Company deeply mourn the irreparable loss due to sudden demise of Late Mr. Naresh Chandra and places on record its appreciation for the valuable contributions made by him during his tenure as Director of the Company.

Mr. Subramaniam Lakshminarayanan was appointed as Non-Executive Additional Independent Director on the Board of the Company with effect from 14 November 2017 to hold office up to the date of the ensuing Annual General Meeting of the Company. The proposed resolution for appointment of Mr. Subramaniam Lakshminarayanan as Non-Executive Independent Director forms part of the Notice convening Annual General Meeting. Your Board recommends his appointment.

Mr. Sunil Srivastav was appointed as Non-Executive Additional Independent Director on the Board of the Company with effect from 23 May 2018 to hold office up to the date of the ensuing Annual General Meeting of the Company. The proposed resolution for appointment of Mr. Sunil Srivastav as Non-Executive Independent Director forms part of the Notice convening Annual General Meeting. Your Board recommends his appointment.

As per the provisions of the Act, Independent Directors have been appointed for a period of Five (5) years and shall not be liable to retire by rotation. All other Directors, except the Managing Director, are liable to retire by rotation at the Annual General Meeting of the Company.

Mr. Kishore Arjan Lulla was re-appointed as an Executive Director, liable to retire by rotation for a period of Five (5) years commencing from 1 November 2017 to 31 October 2022 at the last Annual General Meeting held on 28 September 2017.

In accordance with the provisions of Section 152 of the Act read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, 'Mrs. Jyoti Deshpande, Non-Executive Non Independent Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment. Your Board recommends her appointment.

The brief details of the Directors proposed to be reappointed as required under Secretarial Standard 2 issued by the Institute of Company Secretaries of India and Regulation 36 of the SEBI Listing Regulations is provided in the Notice convening Annual General Meeting of the Company.

All the Directors of the Company have confirmed that they are not disqualified to act as Director in terms of Section 164 of the Act.

In compliance of Section 203 of the Act, Mr. Abhishekh Kanoi was appointed as Vice President - Company Secretary and Compliance Officer and Whole Time Key Managerial Personnel of the Company w.e.f. 15 December 2017 in place of Mrs. Dimple Mehta who has resigned at the close of business hours on 14 December 2017.

Further, Mr. Farokh P. Gandhi was appointed as a Chief Financial Officer and Whole Time Key Managerial Personnel of the Company w.e.f. 9 March 2018 in place of Mr. Dinesh Modi who has resigned at the close of business hours on 8 March 2018.

<sup>1</sup>Designation of Mrs. Jyoti Deshpande was changed from Executive Director to Non-Executive Non-Independent Director of the Company w.e.f. 1 April 2018.

The Board places on record its appreciation for the valuable contribution made by Mrs. Dimple Mehta and Mr. Dinesh Modi during their tenure with the Company.

**Declaration of Independence by Independent Directors & adherence to the Company's Code of Conduct for Independent Directors**

All the Independent Directors of the Company have submitted their disclosure to the effect that they fulfill all the requirements/criteria of independence as per Section 149(6) of the Act. Further, all the Independent Directors have affirmed that they have adhered and complied with the Company's Code of Conduct for Independent Directors which is framed in accordance with Schedule IV of the Act.

**Meetings conducted during the Year**

The Board met Four (4) times during the financial year under review, the details of which are given in the Corporate Governance Report that forms part of this Report. The intervening gap between any Two (2) meetings of the Board was not more than One Hundred and Twenty (120) days as stipulated under the Act and SEBI Listing Regulations.

**Constitution of various Committees**

The Board of Directors of the Company has constituted following Committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders Relationship Committee
- d. Corporate Social Responsibility Committee
- e. Management Committee

Details of each of the Committees stating their respective composition, terms of reference and others are uploaded on our website at [www.erosintl.com](http://www.erosintl.com) and are stated in brief in the Corporate Governance Report attached to and forming part of this Report.

**Annual Evaluation of Board, Committees and Individual Directors**

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and Committee Meetings, acquaintance with business, communicating inter se Board Members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers, etc., which is in compliance with applicable laws, regulations and guidelines.

The Board carried out annual performance evaluation of the Board, its Committees and Individual Directors and Chairperson. The Chairman of the respective Board Committees shared the report on evaluation with the respective Committee Members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Board Committees. The reports on performance evaluation of the Individual Directors were reviewed by the Chairman of the Board.

**Familiarization Programme for Independent Directors during the year**

Familiarization Programme for Independent Directors is mentioned at length in Corporate Governance Report attached to this Report and the details of the same have also been disclosed on the website of the Company at [www.erosintl.com](http://www.erosintl.com).

**Policy on appointment and remuneration and other details of directors**

The remuneration paid to the Directors is in line with the Nomination and Remuneration Policy formulated in accordance with Section

178 of the Act and Regulation 19 of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Company's policy on directors' appointment and remuneration and other matters as provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this Report.

A detailed statement of disclosure required to be made in accordance with the Nomination and Remuneration Policy of the Company, disclosures as per the Act and applicable Rules thereto is attached as **Annexure C** hereto and forms part of this Report.

**9. AUDITORS & AUDITORS' REPORT**

M/s. Walker Chandok & Co LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013) Statutory Auditors of the Company retired at the conclusion of the Annual General Meeting held on 28 September 2017 as per the provision of Section 139 of the Act and M/s. Chaturvedi & Shah, (Firm Registration No. 101720W) were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 28 September 2017 for the term of Five (5) years till the conclusion of 28<sup>th</sup> Annual General Meeting, to be held in the year 2022.

**Auditors' Report**

There are no qualifications, adverse remarks reservations or disclaimer made by M/s. Chaturvedi & Shah, Statutory Auditors, in their report for the financial year ended 31 March 2018. The notes to the Accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanation and comments.

Pursuant to provisions of Section 143(12) of the Act, the Statutory Auditors have not reported any incidence of fraud to the Audit Committee during the year under review.

**10. SECRETARIAL AUDITORS' AND ITS REPORT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Makarand M. Joshi & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31 March 2018 in the prescribed Form MR-3 is annexed herewith as **Annexure D** to this Report, which is self-explanatory. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

**11. CREDIT RATING**

During the year review, the ratings for various facilities/instruments were revised/reaffirmed by CARE Ratings Limited as under:

Sl. No.	Facilities	Rating
1	Long Term Facilities	CARE BBB+; Stable [Triple B Plus; Outlook: Stable]
2	Short Term Facilities	CARE A3+ [A Three Plus]

**12. PARTICULARS OF EMPLOYEES**

The requisite disclosures in terms of the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with statement showing names and other particulars of employees drawing remuneration in excess of the limits prescribed under the said Rules is annexed to this Report as **Annexure E**.



**13. LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

Particulars of loans, guarantees and investments made by the Company as required under Section 186(4) of the Act and the SEBI Listing Regulations are contained in Notes to the Standalone Financial Statements of the Company forming part of this Annual Report.

**14. RELATED PARTY TRANSACTIONS**

In line with the requirements of the Act and SEBI Listing Regulations, your Company has formulated policy on Related Party Transactions duly approved by the Board, which is also available on the Company's website at [www.erosintl.com](http://www.erosintl.com). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Prior omnibus approval had been obtained for the transaction which are of a foreseeable and repetitive in nature and such transactions are reported on a quarterly basis for review by the Audit Committee as well as the Board.

Pursuant to Section 134 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts/arrangements/transactions entered into with related parties during the financial year 2017-18 in terms of Section 188(1) of the Act and applicable Rules made thereunder, is attached to this Report in the prescribed Form AOC-2 as **Annexure F**.

All other contracts/arrangements/transactions with related parties, are in the ordinary course of business and at arm's length basis and stated in Notes to Accounts to the Financial Statements of the Company forming part of this Annual Report.

**15. VIGIL MECHANISM**

The Company promotes ethical behavior in all its business activities and your Company has adopted a Policy on Vigil Mechanism and Whistle Blower in terms of Section 177(9) and Section 177(10) of the Act and Regulation 22 of the SEBI Listing Regulations for receiving and redressing complaints from employees, directors and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud.

The Policy is appropriately communicated within the Company across all levels and has been displayed on the Company's intranet for its employees and website at [www.erosintl.com](http://www.erosintl.com) for stakeholders.

Protected disclosures are made by a whistle blower in writing to the Ombudsman on Email-ID at [whistleblower@erosintl.com](mailto:whistleblower@erosintl.com) and under the said mechanism, no person has been denied direct access to the Chairperson of the Audit Committee. The Audit Committee and Stakeholders Relationship Committee periodically reviews the functioning of this Mechanism.

**16. PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has adopted Sexual Harassment Policy of Women at workplace, which commits to provide a workplace that is free from all forms of discrimination, including sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under the Policy. Further, the Company has constituted an Internal Complaints Committee, where employees can register their complaints against sexual harassment.

During the year under review, the Company has not received any complaints on sexual harassment.

**17. EXTRACT OF THE ANNUAL RETURN**

The extract of Annual Return in the prescribed Form MGT-9 as required under Section 92(3) of the Act read with

Companies (Management & Administration) Rules, 2014 is annexed as **Annexure G** to this Report.

**18. INSURANCE**

All the insurable interests of your Company including properties, equipment, stocks etc. are adequately insured.

**19. DEPOSITS, LOANS AND ADVANCES**

Your Company has not accepted any public deposit under Chapter V of the Act. The details of loans and advances, which are required to be disclosed in the Company's audited annual accounts, pursuant to Schedule IV of SEBI Listing Regulations, are mentioned in Notes to Accounts, forming a part of this Annual Report.

**20. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained, in terms of Section 134 of the Act, your Directors confirms that:

- in the preparation of the annual accounts for the financial year ended 31 March 2018, the applicable Accounting Standards read with the requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2018 and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a 'going concern' basis;
- internal financial controls were followed by the Company and such internal financial controls are adequate and are operating effectively; and
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE**

Your Company is into the business of production, co-production, acquisitions, marketing and distributions of cinematograph films. Since this business does not involve any manufacturing activity, the information required to be provided under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, are not applicable to the Company. However, the Company has been continuously and extensively using technology in its business operations.

The particulars of foreign currency earnings and outgo are as under:

₹ in Lakhs		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Expenditure in foreign currency	372	149
Earnings in foreign currency	11,014	37,520
CIF Value of Imports	NIL	1,960

**22. INTERNAL FINANCIAL CONTROLS**

The Company maintains adequate and effective internal control systems which are commensurate with the nature, size and complexity of its business and ensure orderly and efficient

conduct of the business. The internal control systems of the Company are routinely tested and verified by our Internal Auditor, M/s. KPMG, Chartered Accountants and significant audit observations and follow-up actions are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control requirement and monitors the implementation of audit recommendations.

### 23. CORPORATE GOVERNANCE

In order to maximize shareholder value on a sustained basis, your Company has been constantly reassessing and benchmarking itself with well-established Corporate Governance practices besides strictly complying with the requirements of the SEBI Listing Regulations and applicable provisions of the Act.

In terms of Schedule V of SEBI Listing Regulations, a detailed report on Corporate Governance along with Compliance Certificate issued by the Secretarial Auditor of the Company is attached and forms an integral part of this Annual Report.

### 24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34(2)(e) and Schedule V of the SEBI Listing Regulations, Management Discussion and Analysis Report is presented in separate sections forming part of this Annual Report.

### 25. CORPORATE SOCIAL RESPONSIBILITY

The disclosures on Corporate Social Responsibility activities, as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, are reported in **Annexure H** forming part of this Report and is also available on the website of the Company at [www.erosintl.com](http://www.erosintl.com).

### 26. BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the SEBI Listing Regulations, the Company has included in its Annual Report, a Business Responsibility Report describing initiatives taken by the Company from an environmental, social and governance perspective. Accordingly, the Business Responsibility Report is attached herewith as **Annexure I**.

### 27. RISK MANAGEMENT

The Company has in place a Risk Management Policy to identify the element of risk for achieving its business objective and to provide reasonable assurance that all the material risks will be mitigated. The Audit Committee of the Board has been vested with powers and functions relating to Risk Management, which inter alia includes (a) review of risk management policies and business processes to ensure that the business processes adopted and transactions entered into by the Company are designed to identify and mitigate potential risk; (b) laying down procedures relating to Risk assessment and minimization.

The objective of the risk management framework is to enable and support achievement of business objectives through risk intelligent

assessment while also placing significant focus on constantly identifying and mitigating risks within the business. Further details on the Company's risk management framework is provided in the Management Discussion and Analysis Report.

### 28. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and till the date of this Report.

### 29. DETAILS OF SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

### 30. OTHER DISCLOSURES

- During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);
- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings;
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

### 31. ACKNOWLEDGMENTS

The Board of Directors take this opportunity to express their sincere appreciation for support and co-operation from the Banks, Financial Institutions, Shareholders, Vendors, Customers and all other business associates.

Your Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by the employees at all levels. Your Directors also wish to place on record their gratitude to all the stakeholders for their continued support and confidence.

For and on behalf of the Board of Directors  
**Eros International Media Limited**

Sd/-  
**Sunil Arjan Lulla**  
DIN: 00243191  
Executive Vice Chairman &  
Managing Director

Sd/-  
**Sunil Srivastav**  
DIN: 00237561  
Non-Executive Independent  
Director

Date: 23 May 2018  
Place: Mumbai

# Annexure A

## DISCLOSURE PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 FOR THE FINANCIAL YEAR 2017-18

Eros Employee Stock Option Scheme 2009										Eros - Employee Stock Option Scheme 2017		
Date of Shareholders Approval 4 December 2009										28 September 2017		
Total number of options 5% of the issued paid up share capital as on Grant Date approved under the Scheme										5% of issued, paid up and subscribed capital as on 28 September 2017		
Grant Dates	17-Dec-09	12-Aug-10	1-Jul-12	14-Oct-13	12-Nov-14	12-Feb-15	9-Feb-16	10-Feb-17	14-Nov-17	8-Feb-18		
(a) <b>Eros Employee Stock Option Scheme 2009</b> Options Granted during the year 2009-2010 (Refer to Column A), Options Granted during the year 2010-2011 (Refer Column B), Options Granted during the year 2012-2013 (Refer Column C), Options Granted during the year 2013-2014 (Refer column D), Options Granted during the year 2014-2015 (Refer column E), Options Granted during the year 2014-2015 (Refer column F), Options Granted during the year 2015-2016 (Refer column G), Options Granted during the year 2016-2017 (Refer column H)	17,29,512	83,628	5,71,160	3,00,000	5,52,961	1,39,000	9,66,009	2,82,227	8,22,190	41,824		54,88,511
<b>Eros-Employee Stock Option Scheme 2017</b> Options Granted during the year 2017-2018 (Refer column I & J)												
(b) Pricing Formula Discount to Fair Value	At a Discount ranging from Nil to 50% to Fair value (₹ 175/-)	At a Discount ranging from 20% to 50% to Fair value (₹ 175/-)	At a Discount of 57.15% to Fair Value (₹ 175/-)	At Nil Discount to Fair Value	At a Discount of 94 % to Fair Value (₹ 284/-)	At a Discount of 98% to Fair Value (₹ 376/-)	At a Discount of 95% to Fair Value (₹ 190/-)	At a Discount of 95% to Fair Value (₹ 188/-)	At a Discount of approx 95% to Fair Value (₹ 200.6/-)	At a Discount of approx 95% to Fair Value (₹ 190.45/-)		
(c) Options vested	10,46,552	79,128	5,71,160	1,80,000	4,86,864	84,666	6,37,411	1,21,529	-	-		32,07,310
(d) Options exercised	10,19,791	76,128	3,60,000	60,000	4,67,660	84,666	5,08,202	87,460	-	-		26,63,907
(e) Total number of shares arising as a result of exercise of options	10,19,791	76,128	3,60,000	60,000	4,67,660	84,666	5,08,202	87,460	-	-		26,63,907
(f) Options lapsed (as at 31 March 2018)	7,09,070	7,500	-	1,20,000	51,730	46,000	93,822	86,701	85,747	-		12,00,570
(g) Variation in terms of options	Fair value of ESOP scheme 2009 is revised from ₹ 200 to ₹ 175 vide Postal Ballot dated 21 December 2010	Fair value of ESOP scheme 2009 is revised from ₹ 200 to ₹ 175 vide Postal Ballot dated 21 December 2010	Market value of ESOP scheme 2009 is revised from ₹ 200 to ₹ 175 vide Postal Ballot dated 21 December 2010	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable		



Eros Employee Stock Option Scheme 2009											Eros - Employee Stock Option Scheme 2017																			
(A)											(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	Total										
Date of Shareholders Approval 4 December 2009											28 September 2017																			
Total number of options approved under the Scheme											5% of issued, paid up and subscribed capital as on 28 September 2017																			
Grant Dates											17-Dec-09	12-Aug-10	1-Jul-12	14-Oct-13	12-Nov-14	12-Feb-15	9-Feb-16	10-Feb-17	14-Nov-17	8-Feb-18										
(h)	Vesting requirements										The vesting period for the grant shall be as follows: For eligible employees as identified by the Nomination and Remuneration Committee and at their sole discretion: •20% of the options shall vest on the completion of 12 months from the grant date •20% of the options shall vest on the completion of 24 months from the grant date •30% of the options shall vest on the completion of 36 months from the grant date •30% of the options shall vest on the completion of 48 months from the grant date  Notwithstanding anything to the contrary in this plan, the Nomination and Remuneration Committee may be entitled to in its absolute discretion, to vary or alter the Vesting Date from employee to employee or class, as it may deem fit.																			
(i)	Maximum term of options granted										The term of each option is as specified by the Nomination and Remuneration Committee at the Grant Date and as stated in the Agreement. However, the options shall not be exercised after the period of ten years from the date of grant or finishing of all stock allocated for the employee stock options, whichever is earlier.																			
(j)	Source of Shares (primary, secondary or combination)										Primary	Primary	Primary	Primary	Primary	Primary	Primary	Primary	Primary	Primary	Primary	Primary								
(k)	Money realized by exercise of options (upto 31 March 2018)										13,95,42,885	66,09,600	2,70,00,000	90,00,000	46,76,600	8,46,660	50,82,020	8,74,600	-	-	-	19,36,32,365								
(l)	Total number of options in force (as at 31 March 2018)										651	-	2,11,160	1,20,000	33,571	8,334	3,63,985	1,08,066	7,36,443	41,824	16,24,034									
(m) 1	Employee wise details of options granted to Senior Management										Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below									
2	Employees to whom more than 5% options granted during the year										Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below									
3	Employees to whom options more than 1% of issued capital granted during the year										Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable									
(n)	Diluted EPS, pursuant to issue of shares on exercise of options										The diluted EPS will be ₹ 8.03 per share, lower by i.e. ₹ 0.12																			
(o)	Method of calculation of employee compensation cost										Calculation is based on fair value method																			
1	Intrinsic Value per Share (in ₹)										28.09	88.18	100.00		282.35	376.20	189.95	188.00	200.60		190.45									

Eros Employee Stock Option Scheme 2009										Eros - Employee Stock Option Scheme 2017			
Date of Shareholders Approval 4 December 2009										28 September 2017			
Total number of options 5% of the issued paid up share capital as on Grant Date approved under the Scheme										5% of issued, paid up and subscribed capital as on 28 September 2017			
Grant Dates	17-Dec-09	12-Aug-10	1-Jul-12	14-Oct-13	12-Nov-14	12-Feb-15	9-Feb-16	10-Feb-17	14-Nov-17	8-Feb-18			
3 Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options													
4 Impact of this difference on Profits and on EPS of the Company													
(p) Weighted average exercise price (in ₹)	118.42	91.14	75.00	150.00	10.00	10.00	10.00	10.00	10.00	10.00			
2 Weighted average fair value of options based on Black Scholes methodology (in ₹)	114.64	95.25	122.19	55.49	284.07	379.69	189.19	179.37	193.28	183.28			
(q) Significant assumptions used to estimate fair value of options including weighted average													
1 Risk free interest rate	6.30%	6.50%	8.36%	8.57%	8.50%	7.74%	7.49%	6.51%	6.90%	7.38%			
2 Expected life	5.25 years	5.25 years	5.5 years	4.5 years	3.0-4.5 years	3.5-6.5 years	3.5-5.5 years	3.5-5.5 years	3.5-5.5 years	3.5-5.5 years			
3 Expected volatility (based in competitor companies volatility)	75%	60%	44%	35%	40.11%	37.84%	46.46%	48.66%	56.53%	53.15%			
4 Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil			
5 Closing market price of share on a date prior to date of grant (Fair market value in absence of listing) (in ₹)	175	175	168.65	144.75	291.45	386.3	199.95	199.85	200.75	190.5			

None of the Employees are granted stock options more than 5% of the capital of the Company.

Options granted to Senior Management Personnel	Options Granted	Option Exercised	Options Lapsed	Options in Force
Grant Dated 14 November 2017				
Kumar Ahuja	58,236	-	-	58,236
Abhishekh Kanol	7,360	-	-	7,360
Nandu Ram Ahuja	36,157	-	-	36,157

# Annexure B

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 of Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

Amount in ₹ Lakhs

Sr. No	Name of the Subsidiary	Date since Subsidiary was acquired	Reporting period for the Subsidiary concerned, if the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries.	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
Currency Rate of Exchange to INR															
1	Eros International Films Private Limited	31 March 1997	31 March 2018	INR	1	2,000	(292)	8,753	0	1,100	(63)	7	(46)	Nil	100.00%
2	Copsale Limited	11 February 1999	31 March 2018	USD	65	45	78,165	79,751	-	23,954	17,870	-	17,870	Nil	100.00%
3	Bigsreen Entertainment Private Limited	17 January 2007	31 March 2018	INR	1	1	78	199	-	-	(1)	(21)	(22)	Nil	64.00%
4	Eyeque Studios Private Limited	31 October 2007	31 March 2018	INR	1	1	38	69	-	-	(6)	-	(6)	Nil	100.00%
5	EM Publishing Private Limited	25 March 2009	31 March 2018	INR	1	1	(21)	4	4	-	(2)	-	(2)	Nil	100.00%
6	Eros Animation Private Limited	2 January 2009	31 March 2018	INR	1	1	(2)	0	0	-	(0)	-	(0)	Nil	100.00%
7	Digich Pte Limited	30 March 2012	31 March 2018	USD	65	0.04	(731)	12,765	-	741	(917)	-	(917)	Nil	100.00%
8	Colour Yellow Productions Private Limited	23 May 2014	31 March 2018	INR	1	1	2,389	13,871	-	4,156	652	(119)	534	Nil	50.00%
9	Universal Power Systems Private Limited	1 August 2015	31 March 2018	INR	1	1	373	2,179	-	2,068	(1,900)	566	(1,334)	Nil	100.00%

Note: Eros International Distribution LLP, subsidiary of the Company, incorporated on 11 December 2015 has not yet commenced the operations.

Note: Ayngaran International Limited (IOM), Ayngaran International (UK) Limited, Ayngaran International (Mauritius) Limited, Ayngaran International Media Private Limited and Ayngaran Anak Media Private Limited ceased to be subsidiaries of the Company w.e.f. 1 October 2017.

### Part "B": Associates and Joint Ventures

Not Applicable



# Annexure C

Information required under Section 197 of the Companies Act, 2013, read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 is as follows:**

Name of Director	Total Remuneration (Amt in ₹)	Ratio of remuneration of director to the Median Remuneration
Mr. Naresh Chandra*	15,23,014	2.65
Mr. Dharendra Swarup	55,56,209	9.66
Mr. Rakesh Sood	35,77,113	6.22
Mr. Sunil Arjan Lulla	4,37,57,064	76.10
Mr. Kishore Arjan Lulla	1,27,55,244	22.18
Mrs. Jyoti Deshpande	7,14,45,672	124.25
Mr. S. Lakshminarayanan**	11,73,664	2.04

**Notes:**

- The above information is on standalone basis.
  - The aforesaid details are calculated on the basis of remuneration for the financial year 2017-18.
  - The remuneration to Directors includes sitting fees paid to them for the financial year 2017-18.
- \* On sudden demise of Mr. Naresh Chandra, he ceased to be the director of the Company w.e.f. 9 July 2017  
 \*\* Mr. S. Lakshminarayanan was appointed as an Non Executive Additional Independent Director on 14 November 2017

**B. Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2017-18 are as follows:**

Name of Director	Designation	Remuneration (in ₹)		Increase in %
		2017-18	2016-17	
Mr. Naresh Chandra*	Non Executive Independent Director	15,23,014	56,95,000	(73.26)
Mr. Dharendra Swarup	Non Executive Independent Director	55,56,209	32,07,500	73.23
Mr. Rakesh Sood	Non Executive Independent Director	35,77,113	32,07,500	11.52
Mr. Sunil Arjan Lulla	Executive Vice Chairman & Managing Director	4,37,57,064	4,63,33,880	(5.56)
Mr. Kishore Arjan Lulla	Executive Director	1,27,55,244	1,15,95,672	10.00
Mrs. Jyoti Deshpande**	Executive Director	7,14,45,672	1,05,41,520	577.75
Mr. S. Lakshminarayanan***	Non Executive Additional Independent Director	11,73,664	-	-
Mr. Dinesh Modi****	Group Chief Financial Officer (India)	2,20,30,954	93,00,000	136.89
Mrs. Dimple Mehta****	Vice President - Company Secretary & Compliance Officer	52,67,035	50,08,211	5.17
Mr. Farokh P Gandhi****	Chief Financial Officer	4,82,258	-	-
Mr. Abhishekh Kanoi****	Vice President - Company Secretary & Compliance Officer	13,88,093	-	-

\* On sudden demise of Mr. Naresh Chandra, he ceased to be the director of the Company w.e.f. 9 July 2017.

\*\* The designation of Mrs. Jyoti Deshpande has been changed from Executive Director to Non-Executive Non-Independent Director of the Company w.e.f. 1 April 2018.

\*\*\* Mr. S. Lakshminarayanan was appointed as an Non Executive Additional Independent Director on 14 November 2017.

\*\*\*\*Mr. Dinesh Modi, Group Chief Financial Officer (India) and Mrs. Dimple Mehta, VP-Company Secretary & Compliance Officer of the Company resigned w.e.f. 8 March 2018 and 14 December 2017 respectively. Mr. Farokh P. Gandhi was appointed as Chief Financial Officer and Mr. Abhishekh Kanoi was appointed as VP-Company Secretary & Compliance Officer w.e.f. 9 March 2018 and 15 December 2017 respectively.

**C. Percentage increase in the median remuneration of employees in the financial year 2017-18:**

Particulars	2017-18	2016-17	% Change
	Amt in ₹	Amt in ₹	
Median Remuneration of all employees per annum	5,75,016	5,68,950	(1.07)

**D. Number of permanent employees on the rolls of the Company as on 31 March, 2018 :**

As on 31 March 2018, the Company has 285 permanent employees on its payroll, as compared to 294 employees as at 31 March 2017.

**E. Comparison of average percentile increase in salary of employees other than the key managerial personnel and the percentage increase in the key managerial remuneration:**

Particulars	2017-18	2016-17	% Change
	Amt in ₹	Amt in ₹	
Average salary of all employees (other than Key Managerial Personnel)	3,32,60,958	3,53,37,973	(5.88)

**F. Affirmation:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company hereby affirms that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

# Annexure D

## FORM NO. MR.3 SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31 March 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

### M/s. Eros International Media Limited

201, Kailash Plaza, Opp. Laxmi Industrial Estate,  
Off. Andheri Link Road, Andheri West,  
Mumbai - 400053, Maharashtra (India).

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Eros International Media Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, and Overseas Direct Investment (**External Commercial Borrowing not applicable during the audit period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable to the Company during the audit period**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the audit period**);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the audit period**);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the audit period**); and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreement entered with Stock Exchanges.

During the period under review, the Company has complied with the provisions of the SEBI Act, Rules, Regulations, Guidelines, Standards etc. except that company has filed Annual Performance Report (APR) in delay.

**We further report that** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the law applicable specifically to the Company i.e. The West Bengal (Compulsory Censorship of Film Publicity Materials) Act, 1974.

### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and agenda items were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



**We further report that** during the audit period the Company has issued and allotted 11,13,160 Equity Shares having Face Value of ₹ 10/- each aggregating to ₹ 1,11,31,600/- under Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Thanking you,

For **Makarand M. Joshi & Co.**  
Company Secretaries

Sd/-  
**Makarand Joshi**  
Partner  
FCS No. 5533  
CP No. 3662

Place: Mumbai  
Date: 23 May 2018

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this Report.

## Annexure A

To,  
The Members,  
**M/s. Eros International Media Limited**  
201, Kailash Plaza, Opp. Laxmi Industrial Estate,  
Off. Andheri Link Road, Andheri West,  
Mumbai - 400053, Maharashtra (India).

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Thanking you,

For **Makarand M. Joshi & Co.**  
Company Secretaries

Sd/-  
**Makarand Joshi**  
Partner  
FCS No. 5533  
CP No. 3662

Place: Mumbai  
Date: 23 May 2018

# Annexure E

## Particulars of employees as per Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 for the financial year ended 31 March 2018

Sr. No.	Name of Employee	Designation	Remuneration (p.a) (in ₹)	Qualification	Experience	Date of commencement of employment with the Company	Age of Employee	Last employment held by such employee before joining the Company	No. of Equity Shares	% of Equity Shares	Relation of employee with Directors of the Company
1	Mr. Sunil Arjan Lulla	Executive Vice Chairman and Managing Director	43,757,064	Bachelor of Commerce	25 yrs +	19-Aug-94	53 years	-	1,400	0.00%	Brother of Mr. Kishore Arjan Lulla
2	Mr. Kishore Arjan Lulla	Executive Director	12,755,244	Bachelor of Arts	30 yrs +	1-Nov-11	55 Years	-	-	-	Brother of Mr. Sunil Arjan Lulla
3	Mrs. Jyoti Deshpande	Executive Director	71,445,672	Masters in Business Administration	25 yrs +	1-Jul-12	46 Years	MindShare UK	360,000	0.39%	-
4	Mr. Dinesh Modi	Group Chief Financial Officer(India)	22,030,954	Chartered Accountant and Certified Public Accountant	15 yrs +	11-Nov-14	39 Years	Prana Studios Pvt Ltd	33,500	0.04%	-
5	Mr. Ajit Thakur	CEO - Trinity	34,921,240	Bachelor of Arts, Masters in Business Administration	15 yrs +	2-Feb-15	44 Years	Star () Ltd	74,000	0.08%	-
6	Mr. Zulfiqar Khan	Chief Revenue Officer & Business Unit Head	26,099,517	PGDM, AIMA - DELHI	12 Yrs	3-Aug-15	43 Years	Star () Ltd	33,000	0.03%	-
7	Mr. Kumar Ahuja	Sr Vice President- Business Development	14,681,878	SXJC Commerce	18 Yrs +	22-Apr-99	38 Years	-	15,161	0.02%	-
8	Mr. Nandu Ahuja	SR VP - India Theatrical	18,142,070	Bachelor of Commerce	34 yrs +	27-Jan-09	54 Years	Balaji Motion Pictures Limited	18,083	0.02%	-
9	Mr. Abhay Bhalerao	Head - Investor Relations	12,256,464	Bachelor of Engineering (Mechanical ) ; Masters in Management Studies in Finance	25 yrs +	12-Jan-15	51 Years	Equirus Capital Private Limited	19,666	0.02%	-
10	Mr. Anand Shankar	Group Finance Controller	11,337,405	Inter CA	27 yrs	15-May-02	47 Years	G.R. Naik & Company Chartered Accountants	13,293	0.01%	-

### Notes:

- Gross remuneration comprises of Salary Allowances, monetary value of perquisites valued as per the rules under the Income Tax Act, 1961, Commission, Statutory Contribution to Provident Fund & Family Pension Fund and Superannuation Fund, but excludes contributions to Gratuity Fund
- All the above employees are on pay roll of the Company and their service can be terminated by notice on either side
- None of the employees mentioned above hold more than 2% of the shares of your Company, alongwith their spouse and dependent children

\*Employed for part of the financial year 2017-18.

# Annexure F

## Form No. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

### 1. Details of contracts or arrangements or transactions not at arm's length basis :

(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/transactions	Nil
(c)	Duration of the contracts/arrangements/transactions	Nil
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions	Nil
(f)	Date(s) of approval by the Board	Nil
(g)	Amount paid as advances, if any	Nil
(h)	Date on which the special resolution was passed in general meeting as required under the first proviso to Section 188	Nil

### 2. Details of material contracts or arrangement or transactions at arm's length basis exceeding 10% of the Annual Consolidated turnover:

(a)	<b>Name(s) of the related party</b>	<b>Eros Worldwide FZ LLC</b>
(b)	Nature of relationship	Holding company
(c)	Nature of contracts/arrangements/transactions	Sale of film right, DVD/VCD, Reimbursement of expense
(d)	Duration of the contracts/arrangements/transactions	Not Applicable
(e)	Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
(f)	Date(s) of approval by the Board, if any	26 May 2017
(g)	Amount ₹ in Lakhs	11,059

**Note:** All transactions with related party are detailed in Notes to accounts in financial statements.



# Annexure G

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN as on the financial year ended on 31 March 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L99999MH1994PLC080502
ii.	Registration Date	19 August 1994
iii.	Name of the Company	Eros International Media Limited
iv.	Category/Sub-Category of the Company	Public Company/ Company having Share Capital
v.	Address of the Registered office and contact Details	201, Kailash Plaza, Opp. Laxmi Industrial Estate, Off. Andheri Link Road, Andheri West, Mumbai - 400053, Maharashtra (India). Tel No: +91 22 6602 1500   Fax: +91 22 6602 1540 Email : <a href="mailto:compliance.officer@erosintl.com">compliance.officer@erosintl.com</a>
vi.	Whether listed company Yes/ No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. CIN: U67190MH1999PTC118368 C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083, Maharashtra (India). Tel: +91 22 4918 6000   Fax: +91 22 4918 6060; E-mail: <a href="mailto:rt.helpdesk@linkintime.co.in">rt.helpdesk@linkintime.co.in</a> & <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Media and Entertainment Industry	59131	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GLN/LLPIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Eros International Plc, Isle of Man Address: First Names House, Victoria Road, Douglas, Isle of Man IM2 4DF British Isles	007466V	Ultimate Holding	100	2(46)
2	Eros Worldwide FZ LLC Address: Office No. 529, Building No. 8, Fifth Floor, Dubai Media City, P.O. Box 502121, Dubai, United Arab Emirates	30295	Holding	37.28	2(46)
3	Eros International Films Private Limited Address: 201, Kailash Plaza, 2 <sup>nd</sup> Floor, Plot No. A-12, Off New Link Road, Andheri West, Mumbai- 400 053, Maharashtra (India)	U92113MH1994PTC080423	Subsidiary	100	2(87)(ii)
4	Copsale Limited (Isle of Man) Address: P.O. Box No. 958, Pasea Estate, Road Town, Tortola, VG1110, British Virgin Islands	269307	Subsidiary	100	2(87)(ii)
5	Big Screen Entertainment Private Limited Address: B-301, 302, Brook Hill Tower, 3 <sup>rd</sup> Cross Lane, Lokhandwala Complex, Andheri West, Mumbai - 400 053, Maharashtra (India)	U92110MH2005PTC156504	Subsidiary	64	2(87)(ii)
6	EyeQube Studios Private Limited Address: 201, Kailash Plaza, 2 <sup>nd</sup> Floor, Plot No. A-12, Off New Link Road, Andheri West, Mumbai- 400 053, Maharashtra (India)	U92120MH2007PTC175027	Subsidiary	100	2(87)(ii)

Sr. No	Name and Address of the Company	CIN/GLN/LLPIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
7	EM Publishing Private Limited Address: 201, Kailash Plaza, 2 <sup>nd</sup> Floor, Plot No. A-12, Off New Link Road, Andheri West, Mumbai- 400 053, Maharashtra (India)	U92140MH2008PTC178628	Subsidiary	100	2(87)(ii)
8	Eros Animation Private Limited Address: 201, Kailash Plaza, 2 <sup>nd</sup> Floor, Plot No. A-12, Off New Link Road, Andheri West, Mumbai- 400 053, Maharashtra (India)	U92100MH2008PTC186402	Subsidiary	100	2(87)(ii)
9	Digicine Pte. Limited Address: 160 Robinson Road, #17-01, SBF Center, Singapore 068914	201207959W	Subsidiary	100	2(87)(ii)
10	Colour Yellow Productions Private Limited Address: Indus House, Plot No.B-53, Opp. Monginis Cake Factory, New Link Road, Andheri West, Mumbai - 400053, Maharashtra (India).	U92412MH2013PTC248167	Subsidiary	50	2(87)(i)
11	Universal Power Systems Private Limited Address: Shakti Towers, Suite No.4H, Fourth Floor, No.766, Anna Salai, Chennai – 600002, Tamil Nadu (India).	U33111TN1984PTC010826	Subsidiary	100	2(87)(ii)
12	Eros International Distribution LLP Address: 201, Kailash Plaza, 2 <sup>nd</sup> Floor, Plot No. A-12, Off New Link Road, Andheri West, Mumbai- 400 053, Maharashtra (India)	AAF-3133	Subsidiary	99.80	2(87)(ii)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding as on 31 March 2018

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 1 April 2017				No. of Shares held at the end of the year i.e. 31 March 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	7,000	-	7,000	0.01	7,000	-	7,000	0.01	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	21,700,000	-	21,700,000	23.12	21,700,000	-	21,700,000	22.85	(0.27)
e) Banks/Fl	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter</b>	<b>21,707,000</b>	<b>-</b>	<b>21,707,000</b>	<b>23.13</b>	<b>21,707,000</b>	<b>-</b>	<b>21,707,000</b>	<b>22.86</b>	<b>(0.27)</b>
<b>(2) Foreign</b>									
Bodies Corporate	47,126,290	-	47,126,290	50.21	35,409,440	-	35,409,440	37.28	(12.93)
<b>Total Shareholding of Promoters (A1+A2)</b>	<b>68,833,290</b>	<b>-</b>	<b>68,833,290</b>	<b>73.34</b>	<b>57,116,440</b>	<b>-</b>	<b>57,116,440</b>	<b>60.14</b>	<b>(13.20)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fl	100,324	-	100,324	0.11	455,464	-	455,464	0.48	0.37
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 1 April 2017				No. of Shares held at the end of the year i.e. 31 March 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FII's	659,622	-	659,622	0.70	-	-	-	-	(0.70)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									-
Foreign Portfolio Investors Corporate	9,607,937	-	9,607,937	10.24	4,732,345	-	4,732,345	4.98	(5.26)
<b>Sub-total (B)(1):-</b>	<b>10,367,883</b>	<b>-</b>	<b>10,367,883</b>	<b>11.05</b>	<b>5,187,809</b>	<b>-</b>	<b>5,187,809</b>	<b>5.46</b>	<b>(5.59)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	2,859,343	-	2,859,343	3.05	10,965,437	-	10,965,437	11.55	8.50
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	5,078,494	3	5,078,497	5.41	9,379,551	103	9,379,654	9.89	4.49
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,866,612	-	2,866,612	3.05	7,582,384	-	7,582,384	7.98	4.93
c) Others (specify)									
Non Resident Indians (Repat)	194,437	-	194,437	0.21	288,959	-	288,959	0.30	0.09
Non Resident Indians (Non Repat)	203,708	-	203,708	0.22	469,749	-	469,749	0.49	0.27
Clearing Member	3,098,600	-	3,098,600	3.30	2,245,595	-	2,245,595	2.36	(0.94)
Hindu Undivided Family	356,187	-	356,187	0.38	1,735,489	-	1,735,489	1.83	1.45
Trusts	160	-	160	0.00	335	-	335	0.00	0.00
Foreign Nationals	-	-	-	-	26	-	26	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>14,657,541</b>	<b>3</b>	<b>14,657,544</b>	<b>15.62</b>	<b>32,667,525</b>	<b>103</b>	<b>32,667,628</b>	<b>34.40</b>	<b>18.78</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>25,025,424</b>	<b>3</b>	<b>25,025,427</b>	<b>26.66</b>	<b>37,855,334</b>	<b>103</b>	<b>37,855,437</b>	<b>39.86</b>	<b>13.20</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>93,858,714</b>	<b>3</b>	<b>93,858,717</b>	<b>100</b>	<b>94,971,774</b>	<b>103</b>	<b>94,971,877</b>	<b>100</b>	<b>-</b>

## ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the end of the year i.e. 1 April 2017			Shareholding at the beginning of the year i.e. 31 March 2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Arjan Gobindram Lulla	1,400	0.00	0	1,400	0.00	0	0
2	Eros Worldwide FZ LLC	47,126,290	50.21	4.67	35,409,440	37.28	21.26	(12.93)
3	Eros Digital Private Limited	21,700,000	23.12	0	21,700,000	22.85	0	(0.27)
4	Krishika Lulla	1,400	0.00	0	1,400	0.00	0	0
5	Meena Arjan Lulla	2,800	0.00	0	2,800	0.00	0	0
6	Sunil Arjan Lulla	1,400	0.00	0	1,400	0.00	0	0

**Note:** Eros Worldwide FZ LLC pledged 20,188,136 equity shares as on 31 March 2018. Out of total shares pledged, 7,045,254 equity shares are transferred by way of pledge to pool account of the Lender, who hold the shares on behalf of Eros Worldwide FZ LLC.



## iii. Change in Promoters' Shareholding

Sr. No.	Name of Promoter	Shareholding at the beginning of the year 1 April 2017		Cumulative Shareholding during the year 31 March 2018	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Arjan Gobindram Lulla	1,400	0.00	1,400	0.00
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the End of the year	-	-	1,400	0.00
2	Krishika Lulla	1,400	0.00	1,400	0.00
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the End of the year	-	-	1,400	0.00
3	Meena Arjan Lulla	2,800	0.00	2,800	0.00
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the End of the year	-	-	2,800	0.00
4	Sunil Arjan Lulla	1,400	0.00	1,400	0.00
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the End of the year	-	-	1,400	0.00
5	Eros Worldwide FZ LLC	47,126,290	48.94	47,126,290	48.94
	Less: 24-Apr-2017 Market Sale	(643,986)	(0.68)	46,482,304	48.94
	Less: 25-Apr-2017 Market Sale	(325,000)	(0.34)	46,157,304	48.60
	Less: 26-Apr-2017 Market Sale	(1,297,572)	(1.37)	44,859,732	47.23
	Less: 27-Apr-2017 Market Sale	(55,512)	(0.06)	44,804,220	47.18
	Less: 28-Apr-2017 Market Sale	(15,407)	(0.02)	44,788,813	47.16
	Less: 2-May-2017 Market Sale	(207,576)	(0.22)	44,581,237	46.94
	Less: 3-May-2017 Market Sale	(98,778)	(0.10)	44,482,459	46.84
	Less: 4-May-2017 Market Sale	(152,585)	(0.16)	44,329,874	46.68
	Less: 5-May-2017 Market Sale	(28,951)	(0.03)	44,300,923	46.65
	Less: 8-May-2017 Market Sale	(3,458,807)	(3.64)	40,842,116	43.00
	Less: 7-Jul-2017 Market Sale	(89,668)	(0.09)	40,752,448	42.91
	Less: 10-Jul-2017 Market Sale	(9,999)	(0.01)	40,742,449	42.90
	Less: 11-Jul-2017 Market Sale	(1,581)	(0.00)	40,740,868	42.90
	Less: 12-Jul-2017 Market Sale	(16,546)	(0.02)	40,724,322	42.88
	Less: 13-Jul-2017 Market Sale	(20,000)	(0.02)	40,704,322	42.86
	Less: 14-Jul-2017 Market Sale	(1,282,738)	(1.35)	39,421,584	41.51
	Less: 17-Jul-2017 Market Sale	(211,858)	(0.22)	39,209,726	41.29
	Less: 18-Jul-2017 Market Sale	(1,254,261)	(1.32)	37,955,465	39.96
	Less: 19-Jul-2017 Market Sale	(500,000)	(0.53)	37,455,465	39.44
	Less: 21-Jul-2017 Market Sale	(332,963)	(0.35)	37,122,502	39.09
	Less: 25-Jul-2017 Market Sale	(104,294)	(0.11)	37,018,208	38.98
	Less: 26-Jul-2017 Market Sale	(508,768)	(0.54)	36,509,440	38.44
	Less: 28-Jul-2017 Market Sale	(500,000)	0.53	36,009,440	37.92
	Less: 21-Aug-2017 Market Sale	(600,000)	0.63	35,409,440	37.28

Sr. No.	Name of Promoter	Shareholding at the beginning of the year 1 April 2017		Cumulative Shareholding during the year 31 March 2018	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the end of the year	-	-	35,409,440	37.28
6	Eros Digital Private Limited	21,700,000	22.85	21,700,000	22.85
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the End of the year	-	-	21,700,000	22.85

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For each of the top 10 Shareholders			Shareholding at the beginning of the year 1 April 2017		Cumulative Shareholding during the year 31 March 2018	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shilpa Stock Broker Pvt Ltd			7,40,152	0.79	7,40,152	0.79
	Less:	07 Apr 2017	Market Sale	(54,147)	(0.06)	6,86,005	0.72
	Less:	14 Apr 2017	Market Sale	(2,07,436)	(0.22)	4,78,569	0.50
	Less:	21 Apr 2017	Market Sale	(1,58,816)	(0.17)	3,19,753	0.34
	Add:	28 Apr 2017	Market Buy	9,49,155	1.00	12,68,908	1.34
	Less:	05 May 2017	Market Sale	(19,555)	(0.02)	12,49,353	1.32
	Less:	12 May 2017	Market Sale	(2,14,170)	(0.23)	10,35,183	1.09
	Less:	19 May 2017	Market Sale	(1,03,961)	(0.11)	9,31,222	0.98
	Add:	26 May 2017	Market Buy	24,416	0.03	9,55,638	1.01
	Less:	02 Jun 2017	Market Sale	(1,35,526)	(0.14)	8,20,112	0.86
	Less:	09 Jun 2017	Market Sale	(1,60,118)	(0.17)	6,59,994	0.69
	Add:	16 Jun 2017	Market Buy	68,216	0.07	7,28,210	0.77
	Add:	23 Jun 2017	Market Buy	91,539	0.10	8,19,749	0.86
	Add:	30 Jun 2017	Market Buy	94,402	0.10	9,14,151	0.96
	Add:	07 Jul 2017	Market Buy	1,60,165	0.17	10,74,316	1.13
	Add:	14 Jul 2017	Market Buy	28,66,481	3.02	39,40,797	4.15
	Less:	21 Jul 2017	Market Sale	(21,97,784)	(2.31)	17,43,013	1.84
	Add:	28 Jul 2017	Market Buy	5,45,044	0.57	22,88,057	2.41
	Less:	04 Aug 2017	Market Sale	(11,40,247)	(1.20)	11,47,810	1.21
	Less:	11 Aug 2017	Market Sale	(3,488)	(0.00)	11,44,322	1.20
	Less:	18 Aug 2017	Market Sale	(94,253)	(0.10)	10,50,069	1.11
	Less:	25 Aug 2017	Market Sale	(1,752)	(0.00)	10,48,317	1.10
	Less:	01 Sep 2017	Market Sale	(13,571)	(0.01)	10,34,746	1.09
	Less:	08 Sep 2017	Market Sale	(17,675)	(0.02)	10,17,071	1.07
	Add:	15 Sep 2017	Market Buy	95,325	0.10	11,12,396	1.17
	Add:	22 Sep 2017	Market Buy	20,990	0.02	11,33,386	1.19
	Less:	29 Sep 2017	Market Sale	(49,298)	(0.05)	10,84,088	1.14
	Add:	06 Oct 2017	Market Buy	1,60,999	0.17	12,45,087	1.31
	Add:	13 Oct 2017	Market Buy	87,139	0.09	13,32,226	1.40
	Add:	20 Oct 2017	Market Buy	17,931	0.02	13,50,157	1.42
	Less:	27 Oct 2017	Market Sale	(16,508)	(0.02)	13,33,649	1.40
	Less:	03 Nov 2017	Market Sale	(36,172)	(0.04)	12,97,477	1.37
	Less:	10 Nov 2017	Market Sale	(1,44,143)	(0.15)	11,53,334	1.21
	Less:	17 Nov 2017	Market Sale	(1,43,313)	(0.15)	10,10,021	1.06
	Add:	24 Nov 2017	Market Buy	2,56,898	0.27	12,66,919	1.33

Sr. No.	For each of the top 10 Shareholders			Shareholding at the beginning of the year 1 April 2017		Cumulative Shareholding during the year 31 March 2018	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Less:	01 Dec 2017	Market Sale	(32,350)	(0.03)	12,34,569	1.30
	Less:	08 Dec 2017	Market Sale	(26,109)	(0.03)	12,08,460	1.27
	Less:	15 Dec 2017	Market Sale	(1,34,800)	(0.14)	10,73,660	1.13
	Add:	22 Dec 2017	Market Buy	46,120	0.05	11,19,780	1.18
	Add:	29 Dec 2017	Market Buy	7,429	0.01	11,27,209	1.19
	Less:	05 Jan 2018	Market Sale	(90,998)	(0.10)	10,36,211	1.09
	Less:	12 Jan 2018	Market Sale	(38,431)	(0.04)	9,97,780	1.05
	Less:	19 Jan 2018	Market Sale	(31,640)	(0.03)	9,66,140	1.02
	Add:	26 Jan 2018	Market Buy	36,250	0.04	10,02,390	1.06
	Add:	02 Feb 2018	Market Buy	1,28,784	0.14	11,31,174	1.19
	Add:	09 Feb 2018	Market Buy	28,353	0.03	11,59,527	1.22
	Less:	16 Feb 2018	Market Sale	(60,853)	(0.06)	10,98,674	1.16
	Add:	23 Feb 2018	Market Buy	64,478	0.07	11,63,152	1.22
	Add:	02 Mar 2018	Market Buy	1,01,354	0.11	12,64,506	1.33
	Add:	09 Mar 2018	Market Buy	27,950	0.03	12,92,456	1.36
	Less:	16 Mar 2018	Market Sale	(13,379)	(0.01)	12,79,077	1.35
	Less:	23 Mar 2018	Market Sale	(23,298)	(0.02)	12,55,779	1.32
	Less:	31 Mar 2018	Market Sale	(34,894)	(0.04)	12,20,885	1.29
	At the end of the year (or on the date of separation, if separated during the year)			-	-	12,20,885	1.29
2	Government Pension Fund Global			17,40,000	1.83	17,40,000	1.83
	Less:	07 Apr 2017	Market Sale	(1,10,000)	(0.12)	16,30,000	1.72
	Less:	28 Apr 2017	Market Sale	(1,05,000)	(0.11)	15,25,000	1.61
	Less:	12 May 2017	Market Sale	(2,05,000)	(0.22)	13,20,000	1.39
	Less:	09 Jun 2017	Market Sale	(20,000)	(0.02)	13,00,000	1.37
	Less:	21 Jul 2017	Market Sale	(75,000)	(0.08)	12,25,000	1.29
	Less:	28 Jul 2017	Market Sale	(25,000)	(0.03)	12,00,000	1.26
	Less:	11 Aug 2017	Market Sale	(13,000)	(0.01)	11,87,000	1.25
	Less:	01 Sep 2017	Market Sale	(37,000)	(0.04)	11,50,000	1.21
	Less:	08 Sep 2017	Market Sale	(5,615)	(0.01)	11,44,385	1.20
	Less:	12 Jan 2018	Market Sale	(31,236)	(0.03)	11,13,149	1.17
	At the End of the year (or on the date of separation, if separated during the year)			-	-	11,13,149	1.17
3	M B Finmart Pvt Ltd.			0	0.00	0	0.00
	Add:	19 May 2017	Market Buy	2,691	0.00	2,691	0.00
	Add:	26 May 2017	Market Buy	7,309	0.01	10,000	0.01
	Add:	07 Jul 2017	Market Buy	77,500	0.08	87,500	0.09
	Add:	21 Jul 2017	Market Buy	3,25,000	0.34	4,12,500	0.43
	Add:	28 Jul 2017	Market Buy	3,60,000	0.38	7,72,500	0.81
	Add:	04 Aug 2017	Market Buy	62,500	0.07	8,35,000	0.88
	Add:	11 Aug 2017	Market Buy	10,000	0.01	8,45,000	0.89
	Add:	18 Aug 2017	Market Buy	10,000	0.01	8,55,000	0.90
	Add:	01 Sep 2017	Market Buy	2,24,352	0.24	10,79,352	1.14
	Add:	29 Sep 2017	Market Buy	10,000	0.01	10,89,352	1.15
	At the end of the year (or on the date of separation, if separated during the year)			-	-	10,89,352	1.15
4	Puran Associates Pvt Ltd.			0	0.00	0	0.00
	Add:	07 Jul 2017	Market Buy	77,500	0.08	77,500	0.08
	Add:	21 Jul 2017	Market Buy	3,25,000	0.34	4,02,500	0.42
	Add:	28 Jul 2017	Market Buy	3,75,000	0.39	7,77,500	0.82



Sr. No.	For each of the top 10 Shareholders			Shareholding at the beginning of the year 1 April 2017		Cumulative Shareholding during the year 31 March 2018	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Add:	01 Sep 2017	Market Buy	3,02,500	0.32	10,80,000	1.14
	At the end of the year (or on the date of separation, if separated during the year)			-	-	10,80,000	1.14
5	VIC ENTERPRISES PVT LTD			0	0.00	0	0.00
	Add:	07 Jul 2017	Market Buy	80,000	0.08	80,000	0.08
	Add:	21 Jul 2017	Market Buy	3,25,000	0.34	4,05,000	0.43
	Add:	28 Jul 2017	Market Buy	3,75,000	0.39	7,80,000	0.82
	At the end of the year (or on the date of separation, if separated during the year)			-	-	7,80,000	0.82
6	Rajesh M Sanghavi (HUF)			0	0.00	0	0.00
	Add:	01 Sep 2017	Market Buy	1,00,000	0.11	1,00,000	0.11
	Less:	29 Sep 2017	Market Sale	(48,452)	(0.05)	51,548	0.05
	Add:	23 Mar 2018	Market Buy	6,68,000	0.70	7,19,548	0.76
	At the end of the year (or on the date of separation, if separated during the year)			-	-	7,19,548	0.76
7	Dimensional Emerging Markets Value Fund			4,52,229	0.48	4,52,229	0.48
	Less:	16 Jun 2017	Market Sale	(21,622)	(0.02)	4,30,607	0.46
	Less:	30 Jun 2017	Market Sale	(36,038)	(0.04)	3,94,569	0.42
	Less:	07 Jul 2017	Market Sale	(12,310)	(0.01)	3,82,259	0.40
	Add:	16 Mar 2018	Market Buy	11,232	0.01	3,93,491	0.41
	At the End of the year (or on the date of separation, if separated during the year)			-	-	3,93,491	0.41
8	Danske Invest Sicav-SIF- Emerging And Frontier Markets Smid			5,11,900	0.54	5,11,900	0.54
	Less:	07 Apr 2017	Market Sale	(50,000)	(0.05)	4,61,900	0.49
	Less:	05 May 2017	Market Sale	(1,06,400)	(0.11)	3,55,500	0.37
	Less:	02 Jun 2017	Market Sale	(1,14,500)	(0.12)	2,41,000	0.25
	Less:	23 Jun 2017	Market Sale	(20,000)	(0.02)	2,21,000	0.23
	Less:	30 Jun 2017	Market Sale	(20,000)	(0.02)	2,01,000	0.21
	Less:	07 Jul 2017	Market Sale	(20,000)	(0.02)	1,81,000	0.19
	Less:	29 Sep 2017	Market Sale	(3,017)	(0.00)	1,77,983	0.19
	Add:	31 Mar 2018	Market Buy	8,000	0.01	1,85,983	0.20
	At the end of the year (or on the date of separation, if separated during the year)			-	-	1,85,983	0.20
9	Morgan Stanley Mauritius Company Limited			8,17,623	0.86	8,17,623	0.86
	LESS:	28 Apr 2017	Market Sale	(70,159)	(0.07)	7,47,464	0.79
	LESS:	05 May 2017	Market Sale	(3,61,467)	(0.38)	3,85,997	0.41
	LESS:	23 Jun 2017	Market Sale	(36,430)	(0.04)	3,49,567	0.37
	LESS:	07 Jul 2017	Market Sale	(6,806)	(0.01)	3,42,761	0.36
	LESS:	14 Jul 2017	Market Sale	(2,828)	(0.00)	3,39,933	0.36
	LESS:	21 Jul 2017	Market Sale	(44,771)	(0.05)	2,95,162	0.31
	LESS:	28 Jul 2017	Market Sale	(1,05,411)	(0.11)	1,89,751	0.20
	LESS:	04 Aug 2017	Market Sale	(1,314)	(0.00)	1,88,437	0.20
	LESS:	15 Sep 2017	Market Sale	(10,641)	(0.01)	1,77,796	0.19
	LESS:	22 Sep 2017	Market Sale	(45,059)	(0.05)	1,32,737	0.14
	LESS:	29 Sep 2017	Market Sale	(10,122)	(0.01)	1,22,615	0.13
	LESS:	20 Oct 2017	Market Sale	(6,096)	(0.01)	1,16,519	0.12
	LESS:	27 Oct 2017	Market Sale	(2,0879)	(0.02)	95,640	0.10
	LESS:	17 Nov 2017	Market Sale	(721)	(0.00)	94,919	0.10
	LESS:	24 Nov 2017	Market Sale	(23,810)	(0.03)	71,109	0.07
	LESS:	01 Dec 2017	Market Sale	(14,133)	(0.01)	56,976	0.06
	Less:	08 Dec 2017	Market Sale	(2,012)	(0.00)	54,964	0.06

Sr. No.	For each of the top 10 Shareholders			Shareholding at the beginning of the year 1 April 2017		Cumulative Shareholding during the year 31 March 2018	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Less:	15 Dec 2017	Market Sale	(3,876)	(0.00)	51,088	0.05
	Less:	29 Dec 2017	Market Sale	(415)	(0.00)	50,673	0.05
	Less:	05 Jan 2018	Market Sale	(7,561)	(0.01)	43,112	0.05
	At the end of the year (or on the date of separation, if separated during the year)			-	-	43,112	0.05
10	Maverick Share Brokers Limited - Client Beneficiary A/C			4,39,087	0.46	4,39,087	0.46
	Less:	07 Apr 2017	Market Sale	(2,48,251)	(0.26)	1,90,836	0.20
	Add:	14 Apr 2017	Market Buy	14,540	0.02	2,05,376	0.22
	Less:	21 Apr 2017	Market Sale	(50,004)	(0.05)	1,55,372	0.16
	Add:	28 Apr 2017	Market Buy	19,754	0.02	1,75,126	0.18
	Add:	05 May 2017	Market Buy	1,37,595	0.14	3,12,721	0.33
	Less:	12 May 2017	Market Sale	(1,41,320)	(0.15)	1,71,401	0.18
	Add:	19 May 2017	Market Buy	5,525	0.01	1,76,926	0.19
	Add:	26 May 2017	Market Buy	83,670	0.09	2,60,596	0.27
	Less:	02 Jun 2017	Market Sale	(2,10,215)	(0.22)	50,381	0.05
	Less:	09 Jun 2017	Market Sale	(42,820)	(0.05)	7,561	0.01
	Add:	16 Jun 2017	Market Buy	45,965	0.05	53,526	0.06
	Add:	23 Jun 2017	Market Buy	43,265	0.05	96,791	0.10
	Add:	30 Jun 2017	Market Buy	882	0.00	97,673	0.10
	Add:	07 Jul 2017	Market Buy	887	0.00	98,560	0.10
	Add:	14 Jul 2017	Market Buy	3,488	0.00	1,02,048	0.11
	Add:	21 Jul 2017	Market Buy	88,463	0.09	1,90,511	0.20
	Add:	28 Jul 2017	Market Buy	2,19,007	0.23	4,09,518	0.43
	Less:	04 Aug 2017	Market Sale	(1,41,234)	(0.15)	2,68,284	0.28
	Less:	11 Aug 2017	Market Sale	(1,78,936)	(0.19)	89,348	0.09
	Less:	18 Aug 2017	Market Sale	(1,146)	(0.00)	88,202	0.09
	Less:	25 Aug 2017	Market Sale	(79,525)	(0.08)	8,677	0.01
	Add:	01 Sep 2017	Market Buy	46,719	0.05	55,396	0.06
	Less:	08 Sep 2017	Market Sale	(47,490)	(0.05)	7,906	0.01
	Less:	15 Sep 2017	Market Sale	(5,950)	(0.01)	1,956	0.00
	Add:	22 Sep 2017	Market Buy	675	0.00	2,631	0.00
	Add:	29 Sep 2017	Market Buy	2,829	0.00	5,460	0.01
	Add:	06 Oct 2017	Market Buy	3,725	0.00	9,185	0.01
	Add:	13 Oct 2017	Market Buy	20,021	0.02	29,206	0.03
	Add:	20 Oct 2017	Market Buy	9,605	0.01	38,811	0.04
	Add:	27 Oct 2017	Market Buy	23,841	0.03	62,652	0.07
	Less:	03 Nov 2017	Market Sale	(49,854)	(0.05)	12,798	0.01
	Add:	10 Nov 2017	Market Buy	2,092	0.00	14,890	0.02
	Less:	17 Nov 2017	Market Sale	(8,501)	(0.01)	6,389	0.01
	Less:	24 Nov 2017	Market Sale	(2,661)	(0.00)	3,728	0.00
	Add:	01 Dec 2017	Market Buy	10,196	0.01	13,924	0.01
	Less:	08 Dec 2017	Market Sale	(6,743)	(0.01)	7,181	0.01
	Less:	15 Dec 2017	Market Sale	(4,778)	(0.01)	2,403	0.00
	Add:	22 Dec 2017	Market Buy	4,844	0.01	7,247	0.01
	Add:	29 Dec 2017	Market Buy	4,025	0.00	11,272	0.01
	Add:	30 Dec 2017	Market Buy	3,871	0.00	15,143	0.02
	Less:	05 Jan 2018	Market Sale	(5,499)	(0.01)	9,644	0.01
	Less:	12 Jan 2018	Market Sale	(2,223)	(0.00)	7,421	0.01
	Less:	19 Jan 2018	Market Sale	(375)	(0.00)	7,046	0.01
	Less:	26 Jan 2018	Market Sale	(2,475)	(0.00)	4,571	0.00

Sr. No.	For each of the top 10 Shareholders			Shareholding at the beginning of the year 1 April 2017		Cumulative Shareholding during the year 31 March 2018	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Add:	02 Feb 2018	Market Buy	687	0.00	5,258	0.01
	Add:	09 Feb 2018	Market Buy	162	0.00	5,420	0.01
	Less:	16 Feb 2018	Market Sale	(631)	(0.00)	4,789	0.01
	Add:	23 Feb 2018	Market Buy	100	0.00	4,889	0.01
	Less:	02 Mar 2018	Market Sale	(4,208)	(0.00)	681	0.00
	Add:	09 Mar 2018	Market Buy	734	0.00	1,415	0.00
	Less:	16 Mar 2018	Market Sale	(751)	(0.00)	664	0.00
	Add:	23 Mar 2018	Market Buy	690	0.00	1,354	0.00
	Add:	31 Mar 2018	Market Buy	950	0.00	2,304	0.00
	At the end of the year (or on the date of separation, if separated during the year)			-	-	2,304	0.00

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For each of the Directors and KMP			Shareholding at the beginning of the year 1 April 2017		Cumulative Shareholding during the year 31 March 2018	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	<b>Mr. Dharendra Swarup - Independent Director</b>			0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			0	0	0	0
	At the end of the year			-	-	0	0
2	<b>Mr. Rakesh Sood - Independent Director</b>			0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			0	0	0	0
	At the end of the year			-	-	0	0
3	<b>Mr. Sunil Arjan Lulla - Director &amp; Key Managerial Personnel</b>			1,400	0	1,400	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			0	0	0	0
	At the end of the year			-	-	1,400	0
4	<b>Mr. Kishore Arjan Lulla - Executive Director</b>			0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			0	0	0	0
	At the end of the year			-	-	0	0
5	<b><sup>1</sup> Mrs. Jyoti Deshpande - Executive Director</b>			1,42,790	0.15	142,790	0.15
	Add: 13 April 2017 (Exercise of shares granted under ESOP)			3,60,000	0.38	5,02,790	0.53
	Less: 14 April 2017 (Market Sale)			(1,08,971)	(0.11)	3,93,819	0.42
	Less: 19 January 2018 (Market Sale)			(33,819)	(0.04)	3,60,000	0.38
	At the end of the year			-	-	3,60,000	0.38
6	<b>Mr. S. Lakshminarayanan - Non Executive &amp; Independent Director</b>			0	0	0	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):			0	0	0	0
	At the end of the year			-	-	0	0

<sup>1</sup> The designation of Mrs. Jyoti Deshpande has been changes from Executive Director to Non Executive Non Independent Director w.e.f. 1 April 2018



Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 1 April 2017		Cumulative Shareholding during the year 31 March 2018	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7	<b>Mr. Farokh P. Gandhi - Key Managerial Personnel</b>	43	0	43	0
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	-	-	43	0
8	<b>Mr. Abhishekh Kanoi - Key Managerial Personnel</b>	0	0	0	0
	Add: 19 June 2017 (Exercise of shares granted under ESOP)	4,889	0	4,889	0
	Less: 19 July 2017 (Market Sale)	(1,500)	0	3,389	0
	Add: 19 November 2017(Exercise of shares granted under ESOP)	2,222	0	5,611	0
	Less: 28 November 2017 (Market Sale)	(650)	0	4,961	0
	Less: 19 January 2018 (Market Sale)	(1,100)	0	3,861	0
	Add: 21 February 2018 (Exercise of shares granted under ESOP)	2,667	0	6,528	0
	At the end of the year	-	-	6,528	0

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in ₹

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	62,30,84,591	70,15,59,448	-	6,95,46,44,039
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,80,25,774	154,110	-	3,81,79,884
<b>Total (i+ii+iii)</b>	<b>6,29,11,10,365</b>	<b>70,17,13,558</b>	<b>-</b>	<b>6,99,28,23,923</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	4,79,12,80,161	1,93,58,00,443	-	6,72,70,80,604
Reduction	(48,45,50,080)	(1,03,11,94,817)	-	(6,01,57,44,897)
Net Change	(19,32,69,919)	90,46,05,626	-	(71,13,35,707)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6,06,99,94,744	1,60,47,65,142	-	7,67,47,59,886
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,78,45,702	15,54,042	-	2,93,99,744
<b>Total (i+ii+iii)</b>	<b>6,09,78,40,446</b>	<b>1,60,63,19,184</b>	<b>-</b>	<b>7,70,41,59,630</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Amount in ₹

Sr. No.	Particulars of Remuneration	Name of Managing Director Mr. Sunil Arjan Lulla
1	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,25,17,464
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12,39,600
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission -as % of profit	-
	- others, Specify	-
5	Others, please specify(Bonus)	-
	<b>Total (A)</b>	<b>4,37,57,064</b>
	Ceiling as per the Act	9,87,16,738

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount (₹)
<b>1.</b>	<b>Independent Directors</b>		
	• Fees for attending Board/Committee Meetings	Mr. Naresh Chandra	1,60,000
		Mr. Dharendra Swarup	6,80,000
		Mr. Rakesh Sood	8,00,000
		Mr. S. Lakshminarayanan	2,40,000
	• Commission (payable for 2017-18)	Mr. Naresh Chandra	13,63,014
		Mr. Dharendra Swarup	48,76,209
		Mr. Rakesh Sood	27,77,113
		Mr. S. Lakshminarayanan	9,33,664
	• Others (Reimbursement of maintenance of Chairman's office and expenses incurred towards performance of duties as Chairman)	Mr. Naresh Chandra	2,36,000
		Mr. Dharendra Swarup	1,50,153
	<b>Total (1)</b>		<b>1,22,16,153</b>
<b>2.</b>	<b>Other Non-Executive Non Independent Directors</b>		
	• Fees for attending Board/Committee Meetings		-
	• Commission		-
	• Others, please specify		-
	<b>Total (2)</b>		<b>-</b>
	<b>Total (B) = (1)+(2)</b>		<b>1,22,16,153</b>
	<b>Total Managerial Remuneration</b>	<b>A+B</b>	<b>5,59,73,217</b>
	Others, please specify		1,97,43,348

**Notes:**

- On demise of Mr. Naresh Chandra, he ceased to be Chairman and Non Executive Independent Director of the Company w.e.f. 9 July 2017.
- Mr. Dharendra Swarup was re-designated as Chairman and Non-Executive Independent Director of Company w.e.f. 11 August 2017.
- Mr. S. Lakshminarayanan was appointed as Non Executive Additional Independent Director of the Company w.e.f. 14 November 2017.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB**

Sr. No.	Particulars of Remuneration	<sup>2</sup> Previous Key Managerial Personnel		<sup>3</sup> Key Managerial Personnel		Total
		Mr. Dinesh Modi (Group Chief Financial Officer (India))	Mrs. Dimple Mehta (Vice President - Company Secretary & Compliance Officer)	Mr. Farokh P. Gandhi (Chief Financial Officer)	Mr. Abhishekh Kanoi (Vice President -Company Secretary & Compliance Officer)	
<b>1</b>	<b>Gross Salary</b>					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,26,96,674	29,95,828	4,82,258	8,87,097	1,70,61,857
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others	93,34,280	22,71,207	-	5,00,996	1,21,06,483
	<b>Total</b>	<b>2,20,30,954</b>	<b>52,67,035</b>	<b>4,82,258</b>	<b>13,88,093</b>	<b>2,91,68,340</b>

**VII. PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES:**

<sup>2</sup> Mrs. Dimple Mehta resigned from the post of VP-Company Secretary and Compliance Officer w.e.f. 14 December 2017 and Mr. Dinesh Modi resigned from the post of Group Chief Financial Officer (India) of the Company w.e.f. 8 March 2018 respectively.

<sup>3</sup> Mr. Abhishekh Kanoi was appointed as VP-Company Secretary and Compliance Officer w.e.f. 15 December 2017 and Mr. Farokh P. Gandhi was appointed as Chief Financial Officer w.e.f. 9 March 2018 respectively.

## DIRECTORS' REPORT

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					



# Annexure H

## Corporate Social Responsibility

1.	<b>Brief outline of the Company's CSR Policy</b>	The Company's CSR vision is to make concerted efforts towards promotion of education amongst the underprivileged and for women empowerment.					
		Besides this, the Company may also undertake other CSR activities listed in Schedule VII of the Companies Act, 2013.					
2.	<b>Overview of projects or programs undertaken/ proposed to be undertaken</b>	In accordance with the Company's CSR Policy and its vision, the Company intends to participate in CSR activities with "Arpan", a registered NGO which is engaged in Personal Safety Education programme aimed at tackling and preventing child sexual abuse. It also focuses on creating awareness and skill enhancement of adults like parents, teachers and institutional care takers who are primary stakeholders and care givers in child's life.					
3.	<b>Reference to the web-link to the CSR policy and projects or programs</b>	The details of CSR are also uploaded on the website at <a href="http://www.erosintl.com">www.erosintl.com</a>					
4.	<b>Composition of the CSR Committee</b>	<b>Members of the Committee</b> <ul style="list-style-type: none"><li>• Mr. Rakesh Sood [Non-Executive Independent Director] (Chairman)</li><li>• Mr. Kishore Arjan Lulla [Executive Director]</li><li>• Mr. Sunil Arjan Lulla [Executive Director]</li><li>• Mrs. Jyoti Deshpande [Non-Executive Non-Independent Director]</li></ul>					
5.	<b>Average Net Profit of the Company for last three Financial Years</b>	Net Profit before Tax (NPBT)					
		<b>Particulars</b>				<b>₹ in Crores</b>	
		2016-17				236.94	
		2015-16				199.24	
		2014-15				236.38	
		Average NPBT				224.19	
		2% of Average NPBT				4.48	
6.	<b>Prescribed CSR Expenditure (two per cent of the amount as in Item No. 5 above)</b>	₹ 4.48 Crores					
7.	<b>Details of CSR spent during the financial year</b>						
	<b>a. Total amount spent in FY 2017-18</b>	Nil					
	<b>b. Amount unspent, if any</b>	Unspent CSR amount is ₹ 4.48 Crores in FY 2017-18					
	<b>c. Manner in which the amount spent during the financial year is detailed below:</b>						
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>S. No.</b>	<b>CSR Project or activity identified</b>	<b>Sector in which the project is covered</b>	<b>Projects or programs</b>	<b>Amount outlay (budget) project or programs wise</b>	<b>Amount spent on the projects or programs</b>	<b>Cumulative expenditure upto the reporting period</b>	<b>Amount spent:</b>
			<b>(1) Local area or other</b>		<b>Sub-heads;</b>		<b>Direct or through implementing agency</b>
			<b>(2) Specify the state and district where projects or programs was undertaken</b>		<b>(1) Direct expenditure on projects or programs</b>		
					<b>(2) Overheads:</b>		
				Nil			
8.	<b>Reasons for not spending the amount of two per cent of the average net profit of the last three financial years</b>	During the Current Financial year, the Company was in the process of identifying and evaluating projects in line with the current CSR Policy of the Company.					

### 9. Statement by CSR Committee is stated below:

The Corporate Social Responsibility Committee hereby confirm that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company'.

Sd/-

**Sunil Arjan Lulla**

DIN: 00243191

Member of CSR Committee & Executive Vice  
Chairman & Managing Director

Sd/-

**Rakesh Sood**

DIN: 07170411

Chairman of CSR Committee

Date: 23 May 2018

Place: Mumbai

# Annexure I

## Business Responsibility Report

### Introduction:

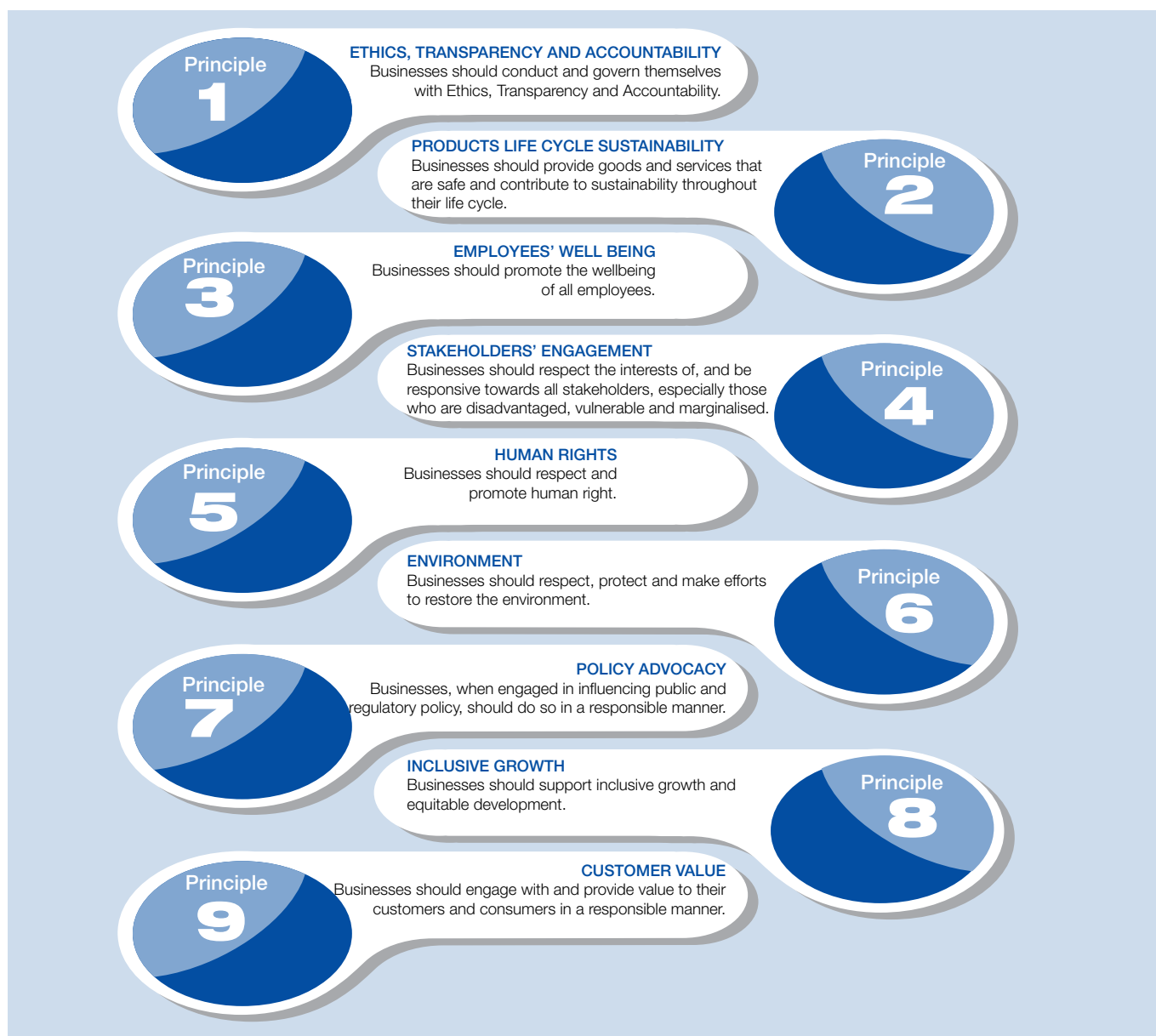
The Company is pleased to present its Second Business Responsibility Report for the Financial Year ended 31 March 2018 in conformance to the requirements of the clause (f) of sub-regulation (2) of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report for FY 2017-18 is aligned with the nine principles of the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVG-SEE) notified by the Ministry of Corporate Affairs, Government of India.

This Report demonstrates the Company's commitment towards sustainability as a business imperative. The Company continuously aims to achieve long term value for its stakeholders by conducting its business in a socially responsible and ethical manner and engaging itself in deep social engagements.

The Company is engaged in creating content for consumers across varied subjects and geographies which enable the Company to deliver sustainable and attractive returns for its stakeholders. Entertainment industry is dynamic and the viewer preferences changes more rapidly. To keep up with the pace, the Company endeavours to align its business strategy and create value for all its stakeholders.

In pursuance of the Company's commitment to responsible business, the Company has aligned its policies and guidelines with the principles articulated under NVG-SEE notified by the Ministry of Corporate Affairs, Government of India.

The Business Responsibility Report is available at the website of the Company at [www.erosintl.com](http://www.erosintl.com).



**Section A: General Information about the Company**

- Corporate Identity Number (CIN) of the Company:** L99999MH1994PLC080502
- Name of the Company:** Eros International Media Limited
- Registered Address:** 201, Kailash Plaza Opp. Laxmi Industrial Estate, Off. Andheri Link Road, Andheri West, Mumbai - 400053, Maharashtra (India).
- Website:** [www.erosintl.com](http://www.erosintl.com)
- E-mail id:** [compliance.officer@erosintl.com](mailto:compliance.officer@erosintl.com)
- Financial Year Reported:** 1 April 2017 to 31 March 2018
- Sector(s) that the Company is engaged in (industrial activity code-wise):** Media and Entertainment Industry

National Industrial Classification Code of Ministry of Statistics and Programme Implementation (NIC Code)	Description
59131	The Company is mainly engaged in the business of Motion picture, video and television programme production, sound recording and music publishing activities.

- List three key products/services that the Company manufactures/provides (as in balance sheet):** The Company is engaged in various activities like co-production, acquisition and distribution of Indian language films in multiple formats worldwide.
- Total number of locations where business activity is undertaken by the Company:**
  - Number of International Locations: Company's international business operations are carried out by its group companies through their offices in International locations (including representative offices and/or distribution arrangement) and the major ones are UAE, United Kingdom, USA, Australia, Fiji etc.
  - Number of National Locations: Indian operations of the Company are carried out through its offices located at namely Mumbai, Delhi, Jalandhar, Bangalore, Kolkata, Patna, Chennai, Kochi etc.
- Markets served by the Company – local/state/national/international:** The Company being in the Media and Entertainment Industry engaged itself in serving the millions of national and international viewers through film releases in more than 50 countries.

**Section B: Financial Details of the Company\***

- Paid-up capital (INR):** INR 94,97,18,770
- Total turnover (INR):** INR 70,766 (₹ in Lakhs)
- Total profit after taxes (INR):** INR 7,701 (₹ in Lakhs)
- Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** Nil
- List of activities in which the Corporate Social Responsibility (CSR) expenditures have been incurred:** Nil

\* As per Standalone Ind AS financials

**Section C: Other Details****1. Subsidiary company/companies**

As on 31 March 2018, the Company has 10 subsidiaries, as per details given in Annexure to Consolidated Financial Statements.

**2. Participation of subsidiary company/companies in the BR Initiatives of the parent company**

Business Responsibility initiatives of the parent company are not applicable to the subsidiary companies.

**3. Participation and percentage of participation of other entity/entities (e.g. suppliers and distributors, among others) that the Company does business with, in the BR initiatives of the Company**

None of the entity / entities with whom Company does business participates in the BR initiatives of the Company.

**Section D: BR Information****1. Details of Director/Directors responsible for BR****a) Details of the Director/Director responsible for the implementation of the BR policy/policies**

All Corporate Policies including the Business Responsibility Policies of the Company are engrained in day-to-day business operations of the Company and are implemented by Management at all levels.

The responsibility for implementation of BR policies is ultimately shouldered on the Corporate Social Responsibility (CSR) Committee of the Board of Directors.

Members of the CSR Committee comprises of:

DIN	Name	Designation
07170411	Mr. Rakesh Sood	Non-Executive Independent Director
00243191	Mr. Sunil Arjan Lulla	Executive Vice Chairman & Managing Director
02303295	Mr. Kishore Arjan Lulla	Executive Director
02303283	Mrs. Jyoti Deshpande <sup>§</sup>	Executive Director

<sup>§</sup> The designation of Mrs. Jyoti Deshpande has been changed from Executive Director to Non Executive Non Independent Director w.e.f. 1 April 2018.

**b) Details of the BR Head**

<b>DIN Number</b>	Not Applicable
<b>Name</b>	Mr. Farokh P. Gandhi
<b>Designation</b>	Chief Financial Officer
<b>Telephone Number</b>	+91 22 66021500
<b>Email id</b>	<a href="mailto:compliance.officer@erosintl.com">compliance.officer@erosintl.com</a>

## 2. Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)

### a) Details of Compliance

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify. (The policies are based on NVG-guidelines, in addition to conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, UNGC guidelines and ILO principles)	The policies have been prepared in accordance to the applicable laws and are in line with the international standards.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/CEO /appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	The implementation and adherence of the Business Responsibility Policy is assigned to the Corporate Social Responsibility (CSR) Committee. Please refer to the Corporate Governance report forming part of the Annual Report, for terms of reference of CSR Committee.								
6	Indicate the link to view the policy online?	Please refer below for linkages of these policies with BR principles and for web links								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to the internal and external stakeholders.								
8	Does the Company have in-house structure to implement its policy/policies?	All Corporate Policies are engrained in all day-to-day business operations of the Company and are implemented at all management levels. The overall implementation of BR policies of the Company is done through the various Committee under the guidance of senior management.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	The Company has a formal grievance redressal mechanism to address stakeholders concerns. Any grievance can be reported on <a href="mailto:compliance.officer@erosintl.com">compliance.officer@erosintl.com</a> . The BR head would be responsible for addressing the concerns related to BR principles.								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Policies are evaluated regularly by senior management.								

### Linkage of Business Responsibility Policy

National Voluntary Guidelines (NVG) on Social, Environmental & Economic Responsibilities

Principle No.	NVG Principle	Reference Document
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	<ul style="list-style-type: none"> <li>• Code of Business Conduct and Ethics for Directors, Key Managerial Personnel and Senior Management Personnel</li> <li>• EROS Code of Conduct for Employees</li> <li>• Whistle Blower Policy</li> <li>• Vendor Code of Conduct</li> <li>• Corporate Governance Policy</li> <li>• Policy on Anti-Bribery and Corruption</li> </ul>
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	<ul style="list-style-type: none"> <li>• Vendor Code of Conduct</li> </ul>



3	Businesses should promote the well being of all employees	<ul style="list-style-type: none"> <li>• Board Diversity Policy</li> <li>• Policy on equal work opportunities</li> <li>• Vendor code of Conduct</li> <li>• Policy on exit and termination</li> <li>• Policy on leave</li> <li>• Policy on Performance Appraisal</li> <li>• Policy on Reimbursement</li> <li>• Policy on Safety &amp; Occupational Health</li> <li>• Policy on Training &amp; Development</li> <li>• Policy on Sexual Harassment</li> <li>• Policy on work place security</li> </ul>
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	<ul style="list-style-type: none"> <li>• Code for Independent Directors</li> <li>• Code of Business Conduct and Ethics for Directors, Key Managerial Personnel &amp; Senior Management Personnel</li> <li>• Corporate Social Responsibility Policy</li> </ul>
5	Businesses should respect and promote human rights	<ul style="list-style-type: none"> <li>• Vendor Code of Conduct</li> </ul>
6	Businesses should respect, protect and make efforts to restore the environment	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility Policy</li> <li>• Vendor Code of Conduct</li> </ul>
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	<ul style="list-style-type: none"> <li>• Code of Business Conduct and Ethics for Directors, Key Managerial Personnel and Senior Management Personnel</li> </ul>
8	Businesses should support inclusive growth and equitable development	<ul style="list-style-type: none"> <li>• Corporate Social Responsibility Policy</li> <li>• Code of Business Conduct and Ethics for Directors, Key Managerial Personnel and Senior Management Personnel</li> </ul>
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	<ul style="list-style-type: none"> <li>• Code of Business Conduct and Ethics for Directors, Key Managerial Personnel and Senior Management Personnel</li> </ul>

#### Links

#### Code of Business Conduct and Ethics for Directors, Key Managerial Personnel and Senior Management Personnel

<http://www.erosintl.com/wp-content/uploads/2017/02/Code-of-Business-Conduct-and-Ethics.pdf>

#### Code for Independent Directors

<http://www.erosintl.com/wp-content/uploads/2018/04/Code-of-Conduct-for-Independent-Directors.pdf>

#### Whistle Blower Policy

[http://www.erosintl.com/wp-content/uploads/2016/10/Whistle-Blower-Policy-\(Vigil%20Mechanism\).pdf](http://www.erosintl.com/wp-content/uploads/2016/10/Whistle-Blower-Policy-(Vigil%20Mechanism).pdf)

#### Vendor Code of Conduct

<http://www.erosintl.com/wp-content/uploads/2018/03/Vendor-Code-of-Conduct-1.pdf>

#### Corporate Social Responsibility

<http://www.erosintl.com/wp-content/uploads/2018/04/Corporate-Social-Responsibility-Policy-1.pdf>

The below mentioned policies are available on the internal portal of the Company at [www.erosintl.com](http://www.erosintl.com):

- Corporate Governance Policy
- Policy on Anti-Bribery and Corruption
- Board Diversity Policy
- Policy on equal work opportunities
- Policy on exit and termination

- Policy on leave
- Policy on Performance Appraisal
- Policy on Reimbursement
- Policy on Safety & Occupational Health
- Policy on Training & Development
- Policy on Sexual Harassment
- Policy on work place security
- Eros Code of Conduct for Employees

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

Not Applicable

#### 3. Governance related to BR

a) Frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the Company's BR performance

The assessment of BR performance is done on an ongoing basis by the CSR Committee and Board of Directors of the Company.

b) BR and Sustainability Reports published; frequency and link of published reports

The Company has started publishing BR report from financial year 2016-17 on a yearly basis pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The BR report is published annually and shall be available on our website at [www.erosintl.com](http://www.erosintl.com).

## Section E: Principle-wise Performance

### Principle 1 ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption apply only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

The Company considers Corporate Governance as an integral part of management. The Company has a Code of Business Conduct and Ethics that is approved by the Board of Directors and this code is applicable to all Board Members and Senior Management. The code is available on the Company's website at [www.erosintl.com](http://www.erosintl.com).

Additionally, to promote highest standards of professionalism, honesty, integrity and ethical behavior, the Company has various policies like Whistle Blower policy, Vendor Code of Conduct, Policy on Anti-Bribery and Corruption in place. The Company follows Zero tolerance on acts of bribery, corruption etc. during the dealing with the vendors, suppliers, contractors, external stakeholders, NGO's etc.

The glimpses of our policies are as follows;

- **Code of Business Conduct and Ethics for Directors, Key Managerial Personnel & Senior Management Personnel:-**

The policy is intended to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability.

- **Employee Code of Conduct:-**

The policy details the standards of personal and professional behaviour of employees and maintain a healthy work environment.

- **Whistle blower Policy:-**

The policy enables the employees and stakeholders of the Company to report to the management about any instances of unethical behaviour.

- **Vendor Code of Conduct:-**

The policy details the high ethical standard to be followed by all its Vendors while conducting any business activities with or on our behalf of the Company.

- **Policy on anti-bribery and corruption:-**

The policy describes the zero tolerance on any acts of bribery, corruption etc. by any of the stakeholders during the dealings with the Company.

The Company's philosophy on Corporate Governance is built on a rich legacy of fair, transparent and effective governance. To ensure that the principle of ethics, transparency and accountability translates into consistent practice, the above policies along with the board committees serve as enablers for high standards of business conduct.

2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Eros has established structured mechanisms to address concerns of stakeholders and communicate their expectations which are dealt by the Audit Committee. During the reporting period, we have not received any complaints/ grievances from our stakeholders regarding unethical business practices.

### Principle 2 PRODUCTS LIFE CYCLE SUSTAINABILITY

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities:

Eros is a leading global company which co-produces, acquires and distributes Indian language films in multiple formats. The Company

meticulously follows applicable regulations and guidelines issued by Central Board of Film certification, Ministry of Information and Broadcasting etc. Additionally, the Company also publishes disclaimers to address social and environmental issues as part of the film screenings.

2. For each such product, provide the following details in respect of resource use (energy, water, raw materials etc.) per product (optional):

The business operation of the Company is of providing service, with minimal control over the procedures and practices followed during the film shootings. However, the continuous efforts are being made by the Company and its employees to ensure that there is an optimum utilization of the available resources (like water, energy etc.) with minimum or no wastages at all.

3. Does the Company have procedures in place for sustainable sourcing (including transportation). If yes, what percentage of your inputs was sourced sustainably?

The Company maintains a healthy relationship with its content providers, vendors and other suppliers and the business policies of the Company include them in its growth. The sustainability agenda is extended to the suppliers/ vendors through the Vendor Code of Conduct. The Vendor Code of Conduct ensures conformity with the safe working conditions along with prohibition of child labour, forced labour and abiding human rights principles in the supply chain operations. The compliance with the Vendor Code of Conduct is mandatory for conducting business operations with Eros International.

4. Has Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors

The Company operates in the area of commercial hub and source its services from local vendors and producers which contributes to the growth of business operations.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste. (Separately as <5%, 5-10 %, > 10%). Also, provide details thereof, in about 50 words or so.

The business operations of the Company is to provide service, hence it does not discharge any effluents or waste. However, the Company has established various measures to diminish waste generated on day to day basis, some of them include reducing paper waste, water waste, plastic waste, etc.

E-waste is one of the fastest growing waste segments globally. At Eros, we endeavor to mainstream sound e-waste management across our operations. During the year, the Company disposed off e-waste under the guidelines for environmentally sound management of e-waste by Central Pollution Control Board and Maharashtra Pollution Control Board. Also, the Corporate office of the Company is located in a green building which on its own has incorporated various sustainability measures.

### Principle 3 EMPLOYEES' WELL-BEING

1. Please indicate the total number of employees:

The total number of employees are 285 as on 31 March 2018.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

The total number of employees hired on contractual basis are 24 as on 31 March 2018.

3. Please indicate the number of permanent women employees:

The total number of women employees are 53 as on 31 March 2018.

**4. Please indicate number of permanent employee with disabilities:**

Eros has always advocated a business environment that favours the concept of equal opportunity for all without any discrimination with respect to caste, creed, gender, race, religion, disability or sexual orientation. As on 31 March 2018, there is one disable employee recruited by Eros.

**5. Do you have employee association that is recognized by management:**

No employee association exists

**6. What percentage of your permanent employees are members of this recognized employee association.**

NA.

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.**

No cases of child labour, forced labour, involuntary labour, discriminatory employment and sexual harassment were reported in the last financial year. The Company has in place the Prevention of Sexual Harassment (POSH) Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, which ensures a free and fair enquiry process with clear timelines. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. Further, the Company has an Internal Complaints Committee where employees can register their complaints against sexual harassment.

**8. What percentage of your above mentioned employees were given safety and skill up-gradation training in the last year?**

Training and development of people is given high importance in Eros. The Company sponsors its employees to attend training sessions organized by external professional bodies to facilitate upgradation of skills of employees handling relevant functions. The Company periodically performs safety trainings as well as mock drills on fire and safety within the organisation for all the employees.

**Principle 4  
STAKEHOLDER'S ENGAGEMENT**

**1. Has the Company mapped its internal and external shareholders?**

The Company has mapped in its major internal and external stakeholders. The major/key categories include (i) Central and State Governments/regulatory authorities, viz. the Ministry of Information & Broadcasting, the Department of Telecommunication, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, Foreign Investment Promotion Board, Stock Exchanges and Depositories, Producers, Vendors, Financial Institutions, Banks, Investors and Service Providers.

However, the process of mapping of stakeholder is an ongoing effort of updation on regular basis.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

Yes.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof**

While developing the CSR strategy, the Company has ensured that all communities shall be benefited from our CSR activities, with special focus on group that are socially and economically marginalized.

The Company created awareness for the blood donation amongst its employees and organised blood donation camp in collaboration with Think Foundation, NGO. The donated blood aided transfusions to people affected by thalassemia, an inherited autosomal recessive blood disorder that causes the weakening and destruction of red blood cells.

**Principle 5  
HUMAN RIGHTS**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/ NGOs/Others?**

Eros believes that an organization rests on foundation of business ethics and valuing human rights, Eros adheres to all statutes which embodies the principles of human rights such as women empowerment, anti-sexual harassment etc. Eros promotes awareness to the importance of human rights within its value chain and discourage instance of any abuse, innocuous behavior within the organization and its applicable to all the stakeholders.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

There were no complaints reported on violation of any human rights during the financial year 2017-18.

**Principle 6  
ENVIRONMENT**

**1. Does the policy related to principle 6 cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/ NGOs/ Others?**

Nurturing and safeguarding the environment for long term sustainability is of prime importance. The Company, has undertaken several green initiatives at all its office locations during the year. Further, the Company's vendors and suppliers are required to comply with the Health Safety and Environment (HSE) requirements as stated in the Vendor Code of Conduct policy. The policy promotes sustainable usage of resources such as energy and water and considers environment as integral part of production/distribution activities.

**2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Currently, the Company does not have any strategies/initiatives to address environmental issues. Eros constantly endeavors to reduce its impact on the environment and identify ways to optimize resource consumption. To ensure the minimum impacts, it has undertaken initiatives like reduction of paper usage, distribution of films using digitisation methods etc.

The Company have its Corporate office in green building which has incorporated various sustainability measures right from the conceptual stage. It has received Gold certification under LEED India Core & Shell rating system. Eros tries to integrate sustainable measures in the day-to-day operations by reduction of paper usage, maintenance of data and records in electronically, reduction in usage of plastic bottles for drinking purpose etc.

**3. Does the company identify and assess potential environmental risks? Y/N**

The Company, being a service provider, is not involved in any manufacturing activity, thereby limiting the scope of handling the environmental risks of any kind. However, the Company is committed to safety and protecting the environment in which it operates.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

As the Company is not involved in any manufacturing activity, no specific project related to Clean Development Mechanism has been undertaken by it.

5. **Has Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? Y/N. If yes, please give hyperlink to web page etc.**

No, the Company is a service provider and is not involved in any manufacturing activities.

6. **Are the Emissions/Waste generated by the Company within permissible limits given by CPCB/SPCB for the financial year being reported?**

Not Applicable.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

There are no pending or unresolved show cause/ legal notices from CPCB/ SPCB in FY 2017-18.

#### Principle 7 POLICY ADVOCACY

1. **Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

In order to drive advocacy globally, the Company has been part of governance bodies of national and international organizations. The Company actively partners with industry associations and forums like:

- The Indian Motion Picture Distributors Association
- Motion Pictures Association
- Central Circuit Cine Association
- The Telangana Film Chamber of Commerce
- Eastern India Motion Pictures Association
- Nepal Motion Picture Association
- The Chennai Kancheepuram Thiruvallur Districts Film Distributors Association
- B50 and Orissa film distributors syndicate.

2. **Have you advocated/lobbied through above associations for advancement or improvement of public good? Yes/No; If yes, specify the broad areas**

No.

#### Principle 8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**

Eros, as a responsible corporate citizen, promotes sustainable and inclusive development. Continuing to this path, Eros is committed to integrate sustainability impact on society through its CSR initiatives.

The Company undertakes these initiatives through the CSR committee of the Board as per the CSR policy.

2. **Are the programmes/projects undertaken through in-house team/own foundation external NGO/government structures/ any other organisation?**

The Company generally undertakes CSR projects through various implementing agencies such as NGO, non-profit organizations etc. Requisite detail of entity through whom CSR initiatives are proposed to be undertaken are included in the Annual Report on CSR forming part of this Annual Report.

3. **Have you done any impact assessment of your initiative?**

The progress of the CSR initiative is periodically reviewed by the CSR Committee.

4. **What is Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

For the FY 2017-18, the Company has spent INR Nil on community development initiatives.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

Eros conducts consistent engagement and interaction with the CSR initiatives implementing agencies to ensure that the initiatives are successfully implemented and address specific needs of the community.

#### Principle 9 CUSTOMER VALUE

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year?**

There are no material consumer cases / customer complaints received in FY 2017-18.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

Yes. The Company clearly communicates the requirements/ disclaimers as mandated by the regulatory bodies.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and or anti-competitive behavior during the last five years and pending as of end of financial year?**

There were no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and or anti-competitive behavior during the last five years.

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

The Company develops a more collaborative relationship with the consumers and places them at the center of the innovation cycle. Through continuous engagement, Eros tries to generate real value by which it can improve its services. It contributes towards customers and the broader community by opening up more choices in media and entertainment and bring people the content they value and trust. The Company focuses on educating customers and informing them through the various film content.



# CORPORATE GOVERNANCE REPORT

## THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company considers fair and transparent corporate governance as one of its most core management tenets. Corporate Governance may be defined as a set of systems, policies, processes and principles which ensures that a company is governed in the best interest of all the stakeholders. It is the system by which companies are directed, administered, controlled and managed. Good governance is about promoting corporate fairness, transparency and accountability.

We strongly believe in the practice of conducting our business activities in a fair, direct and completely transparent manner that will not only benefit the Company but more importantly will ensure the highest level of accountability and trust for all our stakeholders such as shareholders, our employees and our partners. The timely disclosures, transparent accounting policies and a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximizing long-term corporate value.

We, at Eros International, continuously strive at improving and adhering to the good governance practice. The Company has adopted best practices mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as the "SEBI Listing Regulations").

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of the SEBI Listing Regulations is given below:

## BOARD OF DIRECTORS

### a. Composition and Category of Directors:

The Board of Directors along with its Committees provide leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company. The Company has a balanced Board with combination of Executive and Non-Executive Directors to ensure independent functioning. As at 31 March 2018, the Board of Directors of the Company consist of Six (6) Directors, out of which Three (3) are Non-Executive Directors and Three (3) are Executive Directors, including a Woman Director, comprising of experts from various fields/professions. The Chairman of the Board, Mr. Dharendra Swarup, is a Non-Executive and Independent Director and is not related to promoters of the Company or any person occupying the position one level below the Board. The Present composition of the Board of Directors of the Company is in accordance with the SEBI Listing Regulations and the Companies Act, 2013 (the "Act") read with applicable Rules made thereunder.

Name of the Director	Directors Identification No. (DIN)	Category	Designation
Mr. Dharendra Swarup <sup>1</sup>	02878434	Non-Executive & Independent Director	Chairman
Mr. Rakesh Sood	07170411	Non-Executive & Independent Director	Director
Mr. Sunil Arjan Lulla	00243191	Promoter & Executive Director	Executive Vice Chairman & Managing Director
Mr. Kishore Arjan Lulla	02303295	Promoter & Executive Director	Director
Mrs. Jyoti Deshpande <sup>2</sup>	02303283	Executive Director	Director
Mr. Subramaniam Lakshminarayanan <sup>3</sup>	07972480	Non-Executive & Independent Director	Additional Director
Mr. Sunil Srivastav <sup>4</sup>	00237561	Non-Executive & Independent Director	Additional Director w.e.f. 23 May 2018

During the year ended 31 March 2018, Mr. Naresh Chandra, ceased to be a Non-Executive Independent Director of the Board and its Committee w.e.f. 9 July 2017 on account of his sudden and sad demise. The Board had re-designated Mr. Dharendra Swarup, Non-Executive Independent Director as a Chairman of the Board w.e.f. 11 August 2017 in place of Late Mr. Naresh Chandra. Mr. Kishore Arjan Lulla, Executive Director of the Company was reappointed by the Shareholders at the Annual General Meeting of the Company held on 28 September 2017 for a period of Five (5) years commencing 1 November 2017. Mr. Subramaniam Lakshminarayanan, was appointed as a Non-Executive Additional Independent Director on the Board of the Company with effect from 14 November 2017 to hold office up to the date of the ensuing Annual General Meeting. Mr. Sunil Srivastav was appointed as a Non-Executive Additional Independent Director on the Board of the Company with effect from 23 May 2018 to hold office up to the date of the ensuing Annual General Meeting.

There are no Institutional Nominee Directors on the Board. The Company has in place the Succession Policy for appointments at the Board and to Senior Management level.

### Independent Directors

The Independent Directors of the Company are Non-Executive Directors as defined under Section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI Listing Regulations. Independent

Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. They possess rich and varied experience with skills in critical areas like governance, finance, entrepreneurship, general management etc. All Non-Executive Directors of the Company as on 31 March 2018 are Independent.

As required by Regulation 46 of the SEBI Listing Regulations, the terms and conditions of appointment of Independent Directors are listed down in the draft letter of appointment, available on the Company's website at [www.erosintl.com](http://www.erosintl.com). Each Independent director has been issued formal letter of appointment.

### Independent Directors Meeting

During the year under review, a separate meeting of the Independent Directors was held on 28 September 2017, without the attendance of Non-Independent Directors and Management Personnel.

Various matters were discussed by the Independent Directors at the said meeting, including, inter alia, matters as prescribed in the Schedule IV of the Act and SEBI Listing Regulations, viz. review of the performance of Non-Independent Directors and the Board as whole, review of the performance of the Chairman, assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board, that is necessary for the

<sup>1</sup> Mr. Dharendra Swarup was appointed as a Chairman of the Board with effect from 11 August 2017.

<sup>2</sup> Mrs. Jyoti Deshpande designation has been changed to Non-Executive Non-Independent Director with effect from 1 April 2018.

<sup>3</sup> Mr. Subramaniam Lakshminarayanan was appointed as a Non-Executive Additional Independent Director on the Board with effect from 14 November 2017.

<sup>4</sup> Mr. Sunil Srivastav has been appointed as a Non-Executive Additional Independent Director on the Board with effect from 23 May 2018.

Board to effectively and reasonably perform their duties. All the Independent Directors attended the said Meeting.

#### Reappointment of Directors

The designation of Mrs. Jyoti Deshpande (DIN-02303283), was changed from Executive Director to Non-Executive Non-Independent Director of the Company w.e.f. 1 April 2018. Mrs. Jyoti Deshpande, being eligible for re-appointment, has offered herself for re-appointment, as her office being longest and is liable to retire by rotation at the 24<sup>th</sup> Annual General Meeting of the Company, as per Section 152(6) of the Act and applicable Rules thereto.

As required under SEBI Listing Regulations, brief resume of Mrs. Jyoti Deshpande, seeking re-appointment as Non-Executive Non-Independent Director at the ensuing Annual General Meeting is stated at length in the Notice convening 24<sup>th</sup> Annual General Meeting.

#### b. Attendance of Directors and Number of other Directorship:

Details of Membership and Attendance of each Director at the Board of Directors Meetings held during the financial year under review and the last Annual General Meeting and the number of other Directorships and Chairmanship/Membership of Board Committees as on 31 March 2018 are as follows:

Name of Director	Directors Identification No. (DIN)	Attendance		Position on the Board of other companies as on 31 March 2018		
		Board Meeting	Last Annual General Meeting	Directorship* (Including Unlisted Public Companies)	Committee Membership**	Committee Chairmanship**
Mr. Naresh Chandra <sup>5</sup>	00015833	1	N.A.	-	-	-
Mr. Dharendra Swarup	02878434	4	Yes	3	3	2
Mr. Rakesh Sood	07170411	4	Yes	2	2	1
Mr. Sunil Arjan Lulla	00243191	4	Yes	7	1	-
Mr. Kishore Arjan Lulla	02303295	2	No	-	-	-
Mrs. Jyoti Deshpande	02303283	4	Yes	2	-	-
Mr. Subramaniam Lakshminarayanan <sup>6</sup>	07972480	2	N.A.	-	-	-

#### Note:

\* Only Public limited companies, (both listed and unlisted) are included in other directorships. Directorships in all other companies including private limited companies (which are not the subsidiary of Public Company), foreign companies and companies under Section 8 of the Act are excluded.

\*\* Chairmanship/Membership of the Audit Committee and the Stakeholders' Relationship Committee are considered for the purpose of committee positions in all public companies, whether listed or not as per SEBI Listing Regulations and it also includes the committees in which a Director holds position as a Chairman.

#### c. Number of Directorship(s)/ Chairmanship(s)/ Membership(s):

None of the Director of the Company holds directorships in more than Ten (10) public companies. Further, none of them is a member of more than Ten (10) committees or chairman of more than Five (5) committees across all the public companies in which he/she is a director.

Further, none of the Independent Director of the Company is acting as an Independent Director in more than Seven (7) listed companies or acting as whole-time director in more than Three (3) listed companies.

Necessary disclosures regarding directorships and committee positions in other public companies as on 31 March 2018 have been made by all the Directors of the Company.

#### d. Number of Board Meetings:

The Board met Four (4) times during the financial year ended 31 March 2018, i.e. on 26 May 2017; 11 August 2017; 14 November 2017 and 8 February 2018. The maximum time gap between Two (2) meetings of the Board did not exceed One Hundred and Twenty (120) days as stipulated under the Regulation 17(2) of the SEBI Listing Regulations. The necessary quorum was present for all the meetings.

The Board meets at regular intervals to discuss and decide on business policy of the Company and strategy apart from other Board business. The Board/Committee Meetings are pre-scheduled and tentative dates of the Board and Committee Meetings are informed well in advance to facilitate Directors to plan their schedule. The agenda is circulated well in advance to the Board Members, along with comprehensive background information on the agenda items to enable the Board to take an informed decision. The agenda

and related information is circulated to the Board/Committee by uploading the same on e-meeting application, which is accessible to all the Members of the Board and its Committee on their respective i-pads. This has reduced paper consumption, thereby leveraging the technology and holding paperless meetings. Notice, Agendas and minutes of the meeting are all circulated through electronic means. Detailed presentations and notes are laid before each meeting, by the management and senior executives of the Company, to apprise the Board on overall performance on quarterly basis. Additional items on the agenda are permitted with the permission of the Chairman and with the consent of all the Directors present at the meeting. Senior Executives/Management of the Company are invited to attend the Meetings of the Board and Committees, to make presentations and provide clarifications as and when required.

In accordance with the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and in accordance with Secretarial Standard 1 issued by the Institute of Company Secretaries of India, the Company provides an option to its Directors to participate at each of the Board Meetings/Committee Meetings through video conference except in respect of those agenda items wherein transactions are not permitted to be carried out by way of video conference. As per Secretarial Standards, draft minutes and signed minutes of the Meeting are circulated within the prescribed time.

The Board of Directors has complete access to the information within the Company.

#### e. Disclosure of Relationship between directors:

Mr. Kishore Arjan Lulla, Executive Director and Mr. Sunil Arjan Lulla, Executive Vice Chairman and Managing Director of the Company, are brothers.

<sup>5</sup> Mr. Naresh Chandra ceased to be a Director of the Company with effect from 9 July 2017 on account of his death.

<sup>6</sup> Mr. Subramaniam Lakshminarayanan was appointed as a Non-Executive Additional Independent Director on the Board w.e.f. 14 November 2017.

Other than the aforesaid, there are no inter-se relationships amongst the Directors.

**f. Number of Shares held by Non-Executive Directors:**

As on 31 March 2018, none of the Non-Executive Independent Directors holds any equity shares in the Company.

**g. Familiarisation Programme for Independent Directors:**

Familiarisation Programme for Independent Directors is designed with an aim to make the Independent Directors aware about their roles, responsibilities and liabilities as per the Act, SEBI Listing Regulations and other applicable laws and to get better understanding about the Company, nature of industry in which it operates and environment in which it functions, business model, long term/short term/strategic plans etc. As a part of familiarisation programme, the Company makes presentations to the Board members, inter alia, covering business environment, business strategies, operations review, quarterly and annual results, review of Internal Audit Report and action taken, statutory compliance, risk management, operations of subsidiaries, etc.

The relevant policies of the Company including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to regulate, monitor and report trading by Insiders etc. are circulated to the Directors and uploaded on e-meeting application on i-pads for easy access.

The familiarisation programme and necessary disclosures to be made in accordance with SEBI Listing Regulations are made on the website of the Company at [www.erosintl.com](http://www.erosintl.com).

## COMMITTEES OF THE BOARD

The Board of Directors, at its various meetings, has constituted/re-constituted various committees to discuss upon the delegated work as per their respective charters. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. Minutes of all the Committee Meetings are placed before the Board for noting.

Following Committee(s) are constituted for better and focused attention on various affairs of the Company:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Management Committee

### AUDIT COMMITTEE

An Audit Committee, duly constituted by the Board of Directors has a well-defined composition of members, terms of reference, powers, role and responsibilities in accordance with Section 177 of the Act and applicable Rules thereto and in accordance with Regulation 18 of SEBI Listing Regulations.

As on 31 March 2018, the Audit Committee comprised of Four (4) members of whom Three (3) are Non-Executive Independent Directors, all of whom are financially literate and possesses accounting and related financial management expertise. The Chairman of the Audit Committee is an Independent Director and he had attended last year's Annual General Meeting to address the queries of the shareholders.

The detailed terms of reference of Audit Committee along with working procedure, charter and constitution are uploaded on website of the Company at [www.erosintl.com](http://www.erosintl.com).

#### Meeting Details:

During the year under review, Audit Committee met Four (4) times in a year viz. on 26 May 2017; 11 August 2017; 14 November 2017 and 8 February 2018. The maximum time gap between Two (2) Committee Meetings did not exceed One Hundred and Twenty (120) days as stipulated under the Regulation 18(2) of SEBI Listing Regulations. The necessary quorum was present for all the Meetings.

Composition of the Audit Committee and the attendance of each Member at the said Committee Meetings are set out in following table:

Name of Committee Member	Directors Identification No. (DIN)	Designation in the Committee	Category	Number of Meetings attended
Mr. Dharendra Swarup	02878434	Chairman	Non-Executive Independent Director	4
Mr. Naresh Chandra <sup>7</sup>	00015833	Member	Non-Executive Independent Director	1
Mr. Rakesh Sood	07170411	Member	Non-Executive Independent Director	4
Mr. Sunil Arjan Lulla	00243191	Member	Executive Vice Chairman and Managing Director	4
Mr. Subramaniam Lakshminarayanan <sup>8</sup>	07972480	Member	Non-Executive Independent Director	2

The Company Secretary and Compliance Officer acts as the Secretary to the Committee. The Chief Financial Officer of the Company is the permanent invitee to the Committee meetings. The Audit Committee also invites senior executives/management including the representatives of the statutory auditors and internal auditors at its meetings.

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in accordance with Section 178 of the Act and applicable Rules thereto and in accordance with Regulation 19 of SEBI Listing Regulations. As on 31 March 2018, the Nomination and Remuneration Committee comprised of Three (3) Members, all of whom are Non-Executive Independent Directors. The Chairman of the Nomination and Remuneration Committee is an Independent Director and he was present at last year's

Annual General Meeting to address the queries of the shareholders.

The detailed terms of reference of Nomination and Remuneration Committee along with working procedure, charter and constitution are uploaded on website of the Company at [www.erosintl.com](http://www.erosintl.com).

#### Meeting Details:

During the year under review, Nomination and Remuneration Committee met Four (4) times in a year viz. on 26 May 2017; 11 August 2017; 14 November 2017 and 8 February 2018. The necessary quorum was present at all the meetings.

Composition of the Nomination and Remuneration Committee and the attendance of each member at the said Committee Meetings are set out in following table:

<sup>7</sup> Mr. Naresh Chandra ceased to be a Member of the Audit Committee with effect from 9 July 2017 on account of his death.

<sup>8</sup> Mr. Subramaniam Lakshminarayanan became Member of the Audit Committee w.e.f. 14 November 2017.

Name of Committee Member	Directors Identification No. (DIN)	Designation in the Committee	Category	Number of Meetings attended
Mr. Rakesh Sood	07170411	Chairman	Non-Executive Independent Director	4
Mr. Dharendra Swarup	02878434	Member	Non-Executive Independent Director	4
Mr. Naresh Chandra <sup>9</sup>	00015833	Member	Non-Executive Independent Director	1
Mr. Subramaniam Lakshminarayanan <sup>10</sup>	07972480	Member	Non-Executive Independent Director	2

The Company Secretary and Compliance Officer acts as the Secretary to the Committee. The Chief Financial Officer of the Company is the permanent invitee to the Committee Meetings.

#### Evaluation of performance of the Board, its Committees and Directors:

The Company has formulated a Policy on Board Evaluation in accordance with the applicable provisions of SEBI Listing Regulations and the Act. An annual performance evaluation of the Board its Committees and individual directors (including independent directors and Chairperson) in an independent and fair manner was carried out in accordance with the Company's Board Evaluation Policy for the financial year ended 31 March 2018.

The performance of the Board and individual directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Nomination and Remuneration Committee reviewed the performance of the individual directors. This was followed by a Board Meeting that discussed the performance of the Board, its Committees and individual directors. A separate meeting of Independent Directors was also held to review the performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman of the Company.

The criteria for performance evaluation of the Board included aspects like Board composition and structure, effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of committees, effectiveness of Committee Meetings etc. The criteria for performance evaluation of the individual directors included aspects on contribution to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, performance of the Chairman was also evaluated on the key aspects of his role and responsibilities.

The performance evaluation of Independent Directors were based on the criteria viz. attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends etc.

#### REMUNERATION OF DIRECTORS

##### Non – Executive Directors Compensation and Disclosures:

The Non-Executive Independent Directors are paid compensation in the following manner:

- Sitting Fees of ₹ 40,000/- for attending each Board and Committee Meeting.
- Commission, as decided by the Board, not exceeding 1% of the Net Profit of the Company is paid in accordance with the Act.
- None of the Non-Executive Independent Directors have any pecuniary relationship with the Company.
- None of the Non-Executive Independent Directors holds any equity shares of the Company.
- None of the Non-Executive Independent Directors hold any convertible instruments in the Company.
- Payment of reimbursement of expenses incurred by Non-Executive Independent Directors for participation in the Board and other meetings of the Company.

##### Maintenance of Chairman's Office

The Company maintains the office of Chairman, being Non-Executive, and reimburses all the expenses incurred by him towards performance of his duties, up to the limit as decided by the Board of Directors.

Details of remuneration paid to all the Directors for the financial year 2017-2018 are as follows:

Sr. No.	Name of Director	Salary	Benefits / Perquisites	Bonus	Sitting Fees (paid)	Commission paid for FY 2016-17	Commission (payable for 2017-18)	Total (1+2)	Holding of Equity Shares / stock options of the Company as on 31 March 2018
					(1)	(2)			
1	Mr. Naresh Chandra <sup>11</sup>	-	-	-	1,60,000	49,75,000	13,63,014	51,35,000	Nil
2	Mr. Dharendra Swarup	-	-	-	6,80,000	24,87,500	48,76,209	31,67,500	Nil
3	Mr. Rakesh Sood	-	-	-	8,00,000	24,87,500	27,77,113	32,87,500	Nil
4	Mr. Subramaniam Lakshminarayanan <sup>12</sup>	-	-	-	240,000	-	9,33,664	2,40,000	Nil
5	Mr. Sunil Arjan Lulla	4,25,17,464	12,39,600	-	-	-	-	4,37,57,064	1,400 (Equity Shares)
6	Mr. Kishore Arjan Lulla	1,27,55,244	-	-	-	-	-	1,27,55,244	Nil
7	Mrs. Jyoti Deshpande	1,15,95,672	<sup>13</sup> 5,98,50,000	-	-	-	-	7,14,45,672	211,160 (options outstanding) & holds 360,000 Equity Shares

<sup>9</sup> Mr. Naresh Chandra ceased to be a Member of the Nomination and Remuneration Committee w.e.f. 9 July 2017 on account of his death.

<sup>10</sup> Mr. Subramaniam Lakshminarayanan became Member of the Nomination and Remuneration Committee w.e.f. 14 November 2017.

<sup>11</sup> On demise of Mr. Naresh Chandra, he ceased to be the director of the Company w.e.f. 9 July 2017.

<sup>12</sup> Mr. Subramaniam Lakshminarayanan was appointed as an Non-Executive Additional Independent Director on 14 November 2017.

<sup>13</sup> Mrs. Jyoti Deshpande – perquisite amount is on account of ESOP allotment.



**STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee is constituted in accordance with Section 178 of the Act and applicable Rules thereto and in accordance with Regulation 20 of SEBI Listing Regulations. As on 31 March 2018, the Stakeholders Relationship Committee comprised of Three (3) Members, majority of whom are Non-Executive Independent Directors. The Chairman of the Stakeholders Relationship Committee is an Independent Director and he was present at last year's Annual General Meeting to address the queries of the shareholders.

Composition of the Stakeholders Relationship Committee and the attendance of each member at the said Committee Meetings are set out in the following table:

Name of Committee Member	Directors Identification No. (DIN)	Designation in the Committee	Category	Number of Meetings attended
Mr. Rakesh Sood	07170411	Chairman	Non-Executive Independent Director	4
Mr. Dharendra Swarup	02878434	Member	Non-Executive Independent Director	4
Mr. Sunil Arjan Lulla	00243191	Member	Executive Vice Chairman and Managing Director	4

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee. The Chief Financial Officer of the Company is the permanent invitee to the Committee Meetings.

The functions and powers of the Stakeholders Relationship Committee includes resolving of investor's complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints, maintaining investor relations etc.

The main objective of Stakeholders Relationship Committee is to ensure effective implementation and monitoring of framework devised to avoid insider trading and abusive self-dealing, ensure effective implementation of whistle blower mechanism offered to all the stakeholders to report any concerns about illegal or unethical practices, consider and resolve the grievances of security holders of the Company, approval of transfer, transmission of shares, and other securities of the Company, issue of duplicate certificates on split, carrying out any other function contained in the SEBI Listing Regulations, as and when amended from time to time.

Status of Investor Grievances during the year 2017-18:

Description of Investors Grievances received during the year	No. of Grievances
Total Grievances Pending at the Beginning of Period as on 1 April 2017	NIL
Letters directly received from Investors	2
N.S.E.	3
B.S.E.	0
SEBI (Securities Exchange Board of India) (SCORES)	0
Total Grievances attended	5
Total Grievances pending as on 31 March 2018	NIL

All the Complaints received were promptly resolved and there was no outstanding complaint as on 31 March 2018.

Name of Committee Member	Directors Identification No. (DIN)	Designation in the Committee	Category	Number of Meetings attended
Mr. Naresh Chandra <sup>14</sup>	00015833	Chairman	Non-Executive Independent Director	1
Mr. Rakesh Sood <sup>15</sup>	07170411	Chairman	Non-Executive Independent Director	3
Mr. Sunil Arjan Lulla	00243191	Member	Executive Vice Chairman and Managing Director	4
Mr. Kishore Arjan Lulla	02303295	Member	Executive Director	2
Mrs. Jyoti Deshpande <sup>16</sup>	02303283	Member	Executive Director	4

<sup>14</sup> Mr. Naresh Chandra ceased to be the Chairman of the Corporate Social Responsibility Committee w.e.f. 9 July 2017 on account of his death.

<sup>15</sup> Mr. Rakesh Sood became Member and Chairman of the Corporate Social Responsibility Committee w.e.f. 4 August 2017.

<sup>16</sup> Mrs. Jyoti Deshpande designation has been changed to Non-Executive Non-independent Director w.e.f. 1 April 2018.

The detailed terms of reference of Stakeholders Relationship Committee along with working procedure, charter and constitution are uploaded on website of the Company at [www.erosintl.com](http://www.erosintl.com).

**Meeting Details:**

During the year under review, Stakeholders Relationship Committee met Four (4) times in a year viz. on 26 May 2017; 11 August 2017; 14 November 2017 and 8 February 2018. The necessary quorum was present at all the Meetings.

**Share Transfer System:**

Share transfers in physical form are registered and returned within the stipulated time if documents are complete in all respects. The Company obtains from Company Secretary in Practice half yearly certificate to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the said certificate with Stock Exchanges. There are no share transfer pending as on 31 March 2018.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility (CSR) Committee is constituted in accordance with Section 135 of the Act and applicable Rules thereto. As on 31 March 2018, the Corporate Social Responsibility Committee comprised of Four (4) members. The Chairman of the Corporate Social Responsibility Committee is an Independent Director.

The objective of the CSR Committee is to implement the CSR activities as per the CSR policy of the Company as stated at length in Directors Report and to assess the various initiatives forming part of the Business Responsibility performance of the Company.

The detailed terms of reference of Corporate Social Responsibility Committee along with working procedure, charter and constitution are uploaded on website of the Company at [www.erosintl.com](http://www.erosintl.com).

**Meeting Details:**

During the year under review, Corporate Social Responsibility Committee met Four (4) times in a year viz. on 26 May 2017; 11 August 2017; 14 November 2017 and 8 February 2018. The necessary quorum was present at all the Meetings.

Composition of the Corporate Social Responsibility Committee and the attendance of each member at the said Committee Meetings are set out in following table:

The Company Secretary and Compliance Officer acts as the Secretary to the Committee. The Chief Financial Officer of the Company is the permanent invitee to the Committee Meetings. A detailed Business Responsibility Report in terms of the provisions of Regulation 34 of the SEBI Listing Regulations, forms part of this Annual Report.

### MANAGEMENT COMMITTEE

The Board of Directors of the Company have constituted the Management Committee to look after day to day affairs and functioning of the Company. The Board have delegated certain powers to this Committee. As at 31 March 2018, the Management Committee comprised of directors and senior executives of the Company viz. Mr. Sunil Arjan Lulla, Mr. Kishore Arjan Lulla, Mrs. Jyoti Deshpande and Mr. Farokh P. Gandhi.

During the year under review, Mr. Dinesh Modi resigned as Group Chief Financial Officer (India) of the Company at the close of business hours on 8 March 2018 and he also ceased to be the Member of the Management Committee. Mr. Farokh P. Gandhi was appointed as Chief Financial Officer of the Company w.e.f. 9 March 2018 and also appointed as a Member of the Management Committee.

Mrs. Jyoti Deshpande ceased to be the Member of the Management Committee w.e.f. 1 April 2018 due to her change in designation to Non-Executive Non-Independent Director of the Company.

The Committee met Eighteen (18) times during the financial year for such operational matters.

### INVESTORS INFORMATION

#### General Body Meeting

Details of previous three Annual General Meetings of the Members are as under:

Respective Financial Year	2014-15	2015-16	2016-17
Date of the Meeting	3 September 2015	29 September 2016	28 September 2017
Time of the Meeting	3.00 P.M.	2.30 P.M.	2.30 P.M.
Venue of the Meeting	The Club, 197, D. N. Nagar, Andheri West, Mumbai - 400 053.	The Club, 197, D. N. Nagar, Andheri West, Mumbai - 400 053.	The Club, 197, D. N. Nagar, Andheri West, Mumbai - 400 053.
Special Resolution passed at the meeting	<ul style="list-style-type: none"> <li>• Re-appointment of Mr. Sunil Arjan Lulla (DIN 00243191) as an Executive Vice Chairman and Managing Director of the Company and payment of remuneration.</li> <li>• Payment of remuneration to Mrs. Jyoti Deshpande, Executive Director (DIN-02303283) on her re-appointment as Executive Director.</li> <li>• Adoption of Articles of Association.</li> <li>• Payment of Commission to Non-Executive Directors.</li> <li>• Approval for entering into Material Related Party Transaction with Eros Worldwide FZ LLC.</li> </ul>	Not Applicable	<ul style="list-style-type: none"> <li>• Payment of remuneration to Mr. Kishore Arjan Lulla (DIN 02303295) on his reappointment as Executive Director.</li> <li>• Approval of Eros International Media Limited – Employee Stock Options Scheme 2017 and grant of stock options to the Employees of the Company under the said scheme.</li> <li>• Grant of stock options to the eligible employees of the Company's subsidiaries and Holding Company under the Eros International Media Limited – Employee Stock Options Scheme 2017.</li> </ul>

### RESOLUTIONS PASSED BY WAY OF CONDUCTING THE POSTAL BALLOT:

During the year under review, no special resolutions were passed through Postal Ballot pursuant to the provisions of Section 110 of the Companies Act, 2013 read with the Rule 22 of the Companies (Management and Administration) Rules, 2014.

No special resolution is proposed to be conducted through postal ballot as on the date of this report.

### MEANS OF COMMUNICATION

The Company has always promptly reported to both the stock exchanges where the securities of the Company are listed, all the material information including declaration of quarterly, half yearly and annual financial results in the prescribed formats and through press releases.

Financial results are published in "The Free Press Journal" and "Navshakti" as per the requirements of the SEBI Listing Regulations. The said results are also made available on Company's website at [www.erosintl.com](http://www.erosintl.com).

### Presentation to Institutional Investors / Analysts

Any Conference call of the Company with Analysts are intimated to the Stock exchanges in advance, also the official news releases are displayed on the website of the Company.

**GENERAL SHAREHOLDERS INFORMATION:**

Annual General Meeting	
<b>Day</b>	Thursday
<b>Date</b>	27 September 2018
<b>Time</b>	2:00 P.M.
<b>Venue</b>	The Club, 197, D. N. Nagar, Andheri West, Mumbai - 400 053.
<b>Financial Calendar (Tentative)</b>	
Audited Annual Results of previous year ended 31 March 2018	Fourth Week of May 2018
1 <sup>st</sup> quarter results for quarter ending June 2018	On or before 14 August 2018
2 <sup>nd</sup> quarter results for quarter ending September 2018	On or before 14 November 2018
3 <sup>rd</sup> quarter results for quarter ending December 2018	On or before 14 February 2019
Last quarter results for quarter ending March 2019	On or before 30 May 2019
<b>Financial year</b>	<b>1 April 2018 to 31 March 2019</b>
<b>Book Closure Dates</b>	<b>20 September 2018 to 27 September 2018</b>
<b>Listing of equity shares at Stock Exchanges</b>	<b>BSE Limited</b> Pheeroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001. Tel No:- +91-22-22721233/1234 Fax No:- +91-22-22721919
	<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No- C Block, G Block, Bandra Kurla Complex, Mumbai-400 051. Tel No:- +91-22-26598100-8114 Fax No:- +91-22-26598120
<b>Stock Codes</b>	<b>BSE</b> - 533261 <b>NSE</b> – EROSMEDIA
<b>ISIN Number</b>	INE416L01017
<b>Corporate Identification Number (CIN)</b>	<b>L99999MH1994PLC080502</b>

The Annual Listing Fees for the financial year 2018-2019 to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) has been paid by the Company within prescribed time.

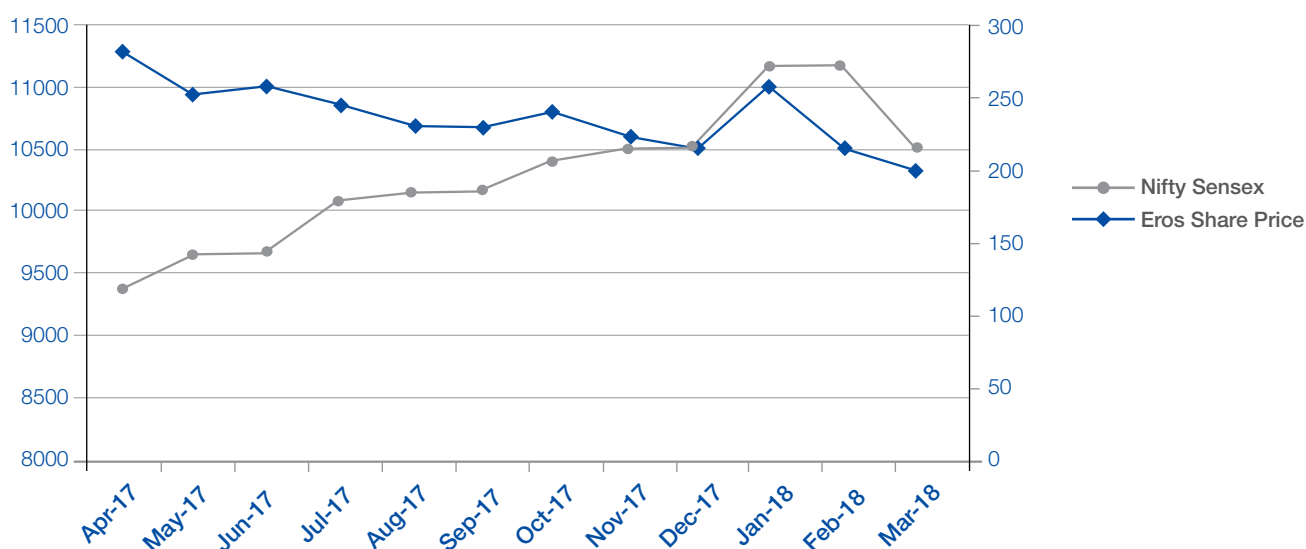
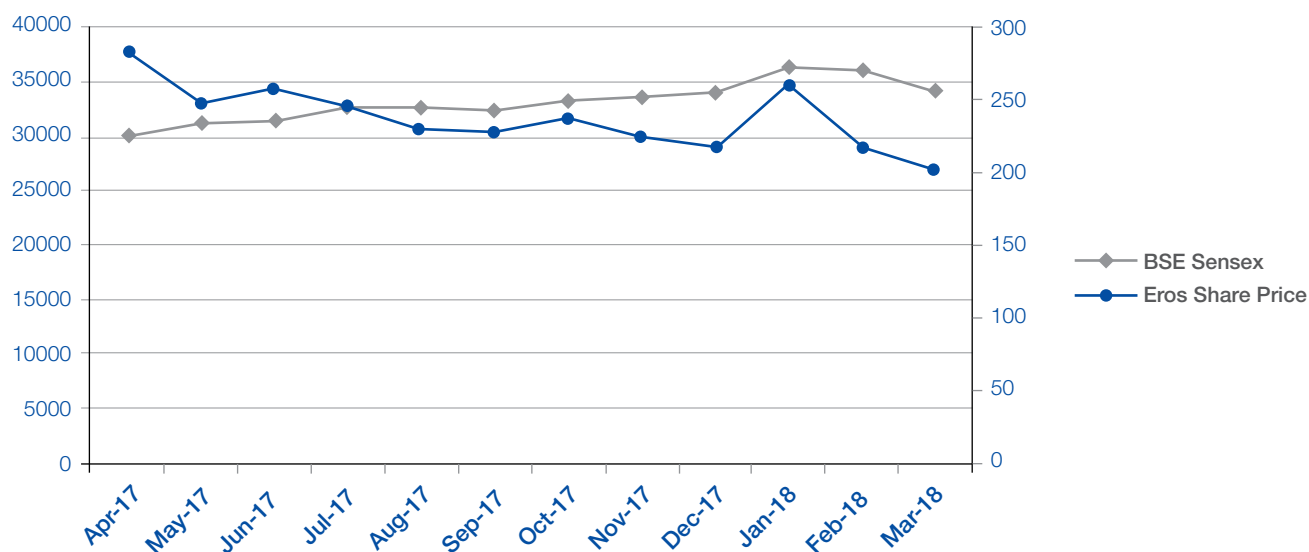
The Annual Custodian Fees for the financial year 2018-2019 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) has been paid by the Company within prescribed time.

**MARKET PRICE DATA**

The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The monthly high and low share prices on both the exchanges for a period starting from 1 April 2017 to 31 March 2018 are as below:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Price (₹)	Low Price (₹)	Volume	High Price (₹)	Low Price (₹)	Volume
April 2017	282.00	214.75	33,39,911	281.85	215.00	1,89,41,075
May 2017	249.50	205.50	67,76,822	249.80	205.00	2,75,71,594
June 2017	257.30	211.95	32,28,744	257.55	211.25	1,62,32,521
July 2017	245.40	208.60	46,54,580	245.30	208.30	2,61,31,158
August 2017	230.00	171.35	40,45,087	229.00	171.25	1,91,68,457
September 2017	228.00	194.65	34,66,068	227.80	194.55	1,84,75,611
October 2017	238.80	208.65	27,51,149	239.00	208.30	1,60,64,327
November 2017	224.60	193.75	23,72,155	224.75	193.25	1,37,91,507
December 2017	218.00	191.40	15,18,609	217.50	192.30	87,34,439
January 2018	259.85	199.05	63,70,272	259.85	198.55	3,37,14,792
February 2018	219.00	178.00	31,58,885	218.00	178.15	1,52,50,930
March 2018	202.20	163.50	33,57,927	202.30	163.20	1,09,31,614

## PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



## REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS

## Address for Investor Correspondence

For any assistance regarding dematerialization of shares, re-materialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please write to:

## LINK INTIME INDIA PRIVATE LIMITED

Unit – Eros International Media Limited

C 101, 247 Park,  
LBS Marg, Vikhroli West,  
Mumbai 400 083, Maharashtra (India).

Tel: +91 (22) 49186000

Fax: +91 (22) 49186060

Email: [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in) and [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

Web: [www.linkintime.co.in](http://www.linkintime.co.in)

## DISTRIBUTION OF SHAREHOLDING AS ON 31 March 2018

Shares Holding of Shares	No. of Shareholders	% to Total
1-5000	44,049	90.69
5001-10000	2,026	4.17
10001-20000	1,072	2.21
20001-30000	372	0.77
30001-40000	178	0.37
40001-50000	167	0.34
50001-100000	286	0.59
100001 and above	422	0.86
<b>Total</b>	<b>48,572</b>	<b>100</b>

## PLEDGE OF SHARES

2,01,88,136 Equity Shares have been pledged by Eros Worldwide FZ LLC, Holding Company as on 31 March 2018.



## DEMATERIALISATION OF SHARES AND LIQUIDITY AS ON 31 March 2018

The securities of the Company are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company representing 99.99% of the Company's Equity Share Capital are in dematerialised form as on 31 March 2018 and the entire promoters holding have been held in the dematerialised form as on 31 March 2018.

### Break up of Shares in physical and demat form as on 31 March 2018 is as follows:

	Number of Shares	% of Total Number of Shares
<b>Physical Segment</b>	103	0.00
<b>Demat Segment</b>		
• NSDL	7,56,90,757	79.70%
• CDSL	1,92,81,017	20.30%
<b>Total</b>	<b>9,49,71,877</b>	<b>100</b>

The Company's Equity Shares are regularly traded on the BSE Limited and the National Stock Exchange of India Limited, in dematerialised form.

Under the Depository system, the International Security Identification Number (ISIN) allotted to the Company's shares is INE416L01017.

## OUTSTANDING ADRS/GDRS AND OTHER INSTRUMENTS

During the year under review, the Company did not issue any ADRs/GDRs/other instruments, which are convertible into equity shares of the Company.

The Company has outstanding stock options in force which carries entitlement of equity shares of the Company, as and when exercised.

## PAYMENT OF UNPAID DIVIDEND(S) OF PREVIOUS YEAR(S)

The Company had declared interim dividend in the financial year 2012-13. Each year your Company sends reminders to those shareholders who have not encashed their dividend. This year the Company has sent reminder on 18 May 2018. Also, pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28 September 2017 (date of last Annual General Meeting) on the Company's website at [www.erosintl.com](http://www.erosintl.com) and on the website of the Ministry of Corporate Affairs.

The Company also sends request letter to all the shareholders, who have opted for physical mode of communication, to register their email IDs for receiving all communication from the Company through electronic mode on annual basis.

## Address for General Correspondence

Company Secretary & Compliance Officer  
Eros International Media Limited  
**Registered Office:**  
201, Kailash Plaza,  
Opp Laxmi industrial Estate,  
Off. Andheri Link Road,  
Andheri West,  
Mumbai – 400 053,  
Maharashtra (India).

**Corporate Office:**  
901/902, Supreme Chambers,  
Off. Veera Desai Road, Andheri West,  
Mumbai- 400 053,  
Maharashtra (India).  
Tel: + (91 22) 6602 1500  
Fax: + (91 22) 6602 1540  
Email: [compliance.officer@erosintl.com](mailto:compliance.officer@erosintl.com)  
Web: [www.erosintl.com](http://www.erosintl.com)

## OTHER DISCLOSURES:

### Disclosure on Material Related Party Transactions

During the year, there were no transactions of materially significant nature with the Promoters or Directors or the Management or the subsidiaries or relatives etc. that had potential conflict with the interests of the Company at large. A statement of summary of related party transactions is duly disclosed in the Notes to Accounts.

## Details of Non-Compliance

No penalties have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities on any matter related to Capital markets during the last three years.

## Whistle Blower Policy

The Whistle Blower Mechanism (vigil mechanism) in the Company enables all the directors, employees and its stakeholders, to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This mechanism has provided adequate safeguards against victimisation of directors/employees of the Company who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. No personnel is denied access to this mechanism.

The Whistle Blower Policy has been posted on the website of the Company at [www.erosintl.com](http://www.erosintl.com).

## SUBSIDIARIES

As on 31 March 2018, the Company has Ten (10) direct subsidiaries. Out of Ten (10) direct subsidiaries, Eight (8) are Indian and other Two (2) are foreign subsidiaries.

None of the subsidiary companies except Copsale Limited (a British Virgin Island Company) are material non-listed subsidiary in terms of Regulation 16(c) of the SEBI Listing Regulations. The Board of Directors of the Companies have also formulated a policy for determining 'material' subsidiaries and the same has been uploaded on the website of the Company at [www.erosintl.com](http://www.erosintl.com).

The Financial Statements, in particular the investments made by the unlisted subsidiaries, statement containing all significant transactions and arrangements entered into by the unlisted subsidiaries forming part of the financials are being reviewed by the Audit Committee of your Company on a quarterly basis. Also, statements of all significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically brought to the attention of the Board by the Management.

## RELATED PARTY TRANSACTION

A policy on materiality of Related Parties and dealings with Related Party Transactions has been formulated by the Board of Directors and has also been uploaded on the website of the Company at [www.erosintl.com](http://www.erosintl.com). The objective of the Policy is to ensure due and timely identification, approval, disclosure reporting and transparency of transactions between Company and any of its Related Parties in compliance with the applicable laws and regulations, as may be amended from time to time.

## Insider Trading Regulations

The Company has instituted a comprehensive code of conduct for its Directors, Key Managerial Personnel, Senior Management Personnel, Designated Employees and third parties such as auditors, consultants, etc. who are expected to have access to unpublished price sensitive information relating to the Company in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

The objective of the Code is to prevent purchase and/or sale of securities of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Directors, Key Managerial Personnel and Senior Management Personnel, Designated Employees, their immediate relatives and such others connected person, are completely prohibited from dealing in the Company's shares during the closure of Trading Window. Further, the Code specifies the procedures to be followed and disclosures to be made by Directors, Key Managerial Personnel, Senior Management Personnel and such other Designated Employees, while dealing with the securities of the Company and enlists the consequences of any violations.

The Annual disclosures as required from Directors, Key Managerial Personnel, Senior Management Personnel and other Designated Employees for adherence to this Code during the financial year 2017-18 have been received by the Company and certificate to that effect from

the Executive Vice Chairman & Managing Director is annexed hereto and forms part of this Report.

The Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the Code.

The Code is uploaded on the Company's website at [www.erosintl.com](http://www.erosintl.com).

### Secretarial Audit

M/s. Makarand M. Joshi & Co., firm of Company Secretaries, carried out various compliance and secretarial audits during the year:

- Quarterly Secretarial Audit
- Annual Secretarial Audit as required under Section 204 of the Act and applicable Rules thereto

Report issued by M/s. Makarand M. Joshi & Co. is attached and forms part of Directors Report.

### CEO/CFO CERTIFICATION

The Executive Vice Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations. The Executive Vice Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations. The annual certificate given by the Executive Vice Chairman and Managing Director and the Chief Financial Officer is published in this Report.

The Company has complied with all the mandatory requirements of Corporate Governance Report as stated under SEBI Listing Regulations.

### COMPLIANCE OF DISCRETIONARY REQUIREMENTS

The Company has adopted the following discretionary requirements stated under Part E of Schedule II of Regulation 27(1) of SEBI Listing Regulations:-

#### A. The Board

The Chairman i.e. Mr. Dharendra Swarup is a Non-Executive Independent Director and the Company maintains the Chairman's office at its expense and reimburses all expenses incurred in performance of duties by the Chairman.

#### B. Separate posts of chairperson and chief executive officer

The Company has appointed two separate persons for the post of Chairperson of the Company and Managing Director. Mr. Dharendra Swarup act as the Chairperson of the Board whereas Mr. Sunil Arjan Lulla is the Executive Vice Chairman & Managing Director of the Company.

#### C. Reporting of Internal Auditor

The Company has appointed M/s KPMG, Chartered Accountant as the Internal Auditor of the Company to review the adequacy and effectiveness of internal control and governance process in the Company through periodic audits. The Internal Audit Report contains their finding and suggestions for improvement which are periodically tabled before the Audit Committee for their review.

### COMPLIANCE WITH CORPORATE GOVERNANCE MANDATORY REQUIREMENTS

The Company has complied with the all the required requirements specified under Regulation 17 to Regulation 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations and the disclosure of the compliance status forms part of this Report.

### OTHER DISCLOSURES

- No treatment different from the Indian Accounting Standards (Ind AS), prescribed by the Institute of Chartered Accountants of India, has been followed in the preparation of financial statements.

- The Company has in place the mechanism to inform Board members about the risk assessment and minimisation procedures and periodical reviews to ensure that risk is controlled by the Executive Management.
- During the year, the Company did not make any public issue, right issue, preferential issue, etc. and hence it did not receive any proceeds from any such issues. The proceeds received from public issue made in 2010, were appropriately utilized.
- During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.
- The Company is fully compliant with the applicable mandatory requirements under SEBI Listing Regulations, relating to Corporate Governance.
- The Company has laid down the Whistle Blower mechanism for employees and its stakeholders of the Company to report to the management about any instances of unethical behaviour, actual or suspected fraud, illegal or unethical practices in the Company.
- During the year under review, there was no audit qualification in the Company's Financial Statements. Your Company continues to adopt best practices to ensure a regime of unqualified Financial Statements.

### Code of Conduct

The Board has laid down a Code of Business Conduct and Ethics for all the Directors, Key Managerial Personnel and Senior Managerial Personnel of the Company in accordance with the requirement under Regulation 17(5) of SEBI Listing Regulations. The Code has also been posted on the website of the Company at [www.erosintl.com](http://www.erosintl.com). All the Board Members, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the said Code for the Financial Year ending 31 March 2018.

A declaration to this effect signed by the Executive Vice Chairman and Managing Director of the Company is provided below in this Report.

In accordance with Schedule IV of the Act, a separate Code of Conduct for the Independent Directors has been adopted by the Company. The said Code states, inter alia, the duties, roles and responsibilities of Independent Directors and it has also been posted on the website of the Company at [www.erosintl.com](http://www.erosintl.com).

All Independent Directors have confirmed to the Company that they have adhered to and complied with the said Code for the Financial Year end 31 March 2018.

### DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

To the best of my knowledge and belief, I hereby affirm that all the Board Members and Senior Management Personnel of the Company have fully complied with the provisions of the code of conduct as laid down by the Company for Directors and Senior Management Personnel during the financial year ended on 31 March 2018.

For and on behalf of the Board  
**Eros International Media Limited**

Sd/-  
**Sunil Arjan Lulla**  
Executive Vice Chairman and Managing Director  
DIN: 00243191

**Date: 23 May 2018**  
**Place: Mumbai**

**CEO/CFO CERTIFICATE**

**To,  
The Board of Directors  
Eros International Media Limited  
Mumbai**

We hereby certify that in the preparation of the accounts for the year ended 31 March 2018:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing Indian Accounting Standards (Ind AS), applicable laws and regulations.
- (b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, and further state that there were no deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) That there are no significant changes in internal controls over financial reporting during the year.
  - (ii) That there are no Significant changes in accounting policies during the year.
  - (iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-  
**Sunil Arjan Lulla**  
**Executive Vice Chairman & Managing Director**

Sd/-  
**Farokh P. Gandhi**  
**Chief Financial Officer**

**Date: 23 May 2018**  
**Place: Mumbai**

**CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
The Members of  
**Eros International Media Limited**  
201, Kailash Plaza, Opp. Laxmi Industrial Estate,  
Off Andheri Link Road, Andheri West,  
Mumbai – 400053.  
Maharashtra (India).

1. We have examined the compliance on Corporate Governance by **Eros International Media Limited** during the year ended 31 March 2018, with the relevant records and documents maintained by the Company, furnished to us for our review and report on Corporate Governance, as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. On the basis of our review and according to the best of our information and according to the explanation given to us, the Company has been complying with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For Makarand M. Joshi & Co.,**  
Company Secretaries

Sd/-  
**Makarand Joshi**  
Partner

Date: 23 May 2018  
Place: Mumbai

Membership No.: FCS No.: 5533  
Certificate of Practice No: 3662

**EQUITY SHARES IN THE SUSPENSE ACCOUNT**

In terms of Schedule V(F) of SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense accounts which were issued in demat form:

Sr. No.	Particulars	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (1 April 2017);	4 Shareholders	169 Equity Shares
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	Nil	
3	Number of shareholders to whom shares were transferred from suspense account during the year;	Nil	
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (31 March 2018).	4 Shareholders	169 Equity Shares

The voting rights on the shares in the suspense accounts as on 31 March 2018 shall remain frozen till the rightful owners of such shares claim the shares.



# INDEPENDENT AUDITOR'S REPORT

To the Members of

**Eros International Media Limited**

## Report on the Standalone financial statements

We have audited the accompanying standalone financial statements of **Eros International Media Limited** ("the Company"), which comprises the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including Other Comprehensive Income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2018 of its profit including Other Comprehensive Income, its cash flows and the changes in equity for the year ended on that date

## Other Matters

The comparative financial information of the Company for the year ended 31 March 2017 prepared in accordance with Indian Accounting Standards, included in these Standalone Financial Statements, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information expressed an unmodified opinion.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
  - (e) On the basis of written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;
  - (g) 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, 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 Ind AS standalone financial statements – Refer Note 40 to the financial statements;

## STANDALONE STATEMENTS

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No. 103141

Mumbai  
Dated : 23 May 2018

# Annexure “A”

## referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date

### i. In respect of its Fixed Assets :

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, all the fixed assets have been physically verified by the management during the year by engaging the outside expert which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanations given to us, the title deeds of all the immovable properties are held in the name of the Company.

### ii. In respect of its Inventories:

According to the information and explanation given to us physical verification of inventories comprising of VCD/DVD/Audio CD have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies noticed on such verification of inventories as compared to the book records.

### iii. In respect of loans, secured or unsecured, granted by the Company to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act:

- a) In our opinion the terms and conditions of the grant of such loans are prima facie, not prejudicial to the Company's interest.
- b) The schedule of repayment of principal and interest has been stipulated wherein the principal and interest amounts are

repayable on demand. Since the repayment of such loans has not been demanded, in our opinion, the repayment of the principal and interest amount is regular.

- c) There is no overdue amount in respect of loans granted to such companies and firms.

### iv. In respect of loans, investments, guarantees and security, the Company has complied with the provisions of Section 185 and 186 of the Act.

### v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.

### vi. To the best of our knowledge and as explained, The Central Government has not specified maintenance of cost records under sub Section (1) of Section 148 of the Act, in respect of Company's products/services. Accordingly, the provision of clause 3(vi) of the order is not applicable.

### vii. In respect of Statutory dues :

- a. According to the records of the Company, Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:-

Statement of arrears of statutory dues outstanding for more than six months:-

Name of the statute	Nature of the dues	Amount ₹ in Lakhs	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Interest on Income Tax	450.33	Assessment Year 2016-17	31-03-2016	Unpaid
Income Tax Act, 1961	Self Assessment Tax	3,364.44	Assessment Year 2017-18	31-03-2017	Unpaid
Income Tax Act, 1961	Advance Income Tax	1,322.12	Assessment Year 2018-19	15-09-2017	Unpaid
Maharashtra Value Added Tax, 2002	Work Contract Tax	2.08	Assessment Year 2018-19	20-07-2017	Unpaid
Maharashtra Value Added Tax, 2002	Sales Tax	120.91	Financial year 2016-17	20-01-2017	Paid amounting to ₹ 76.30 Lakhs till date
Maharashtra Value Added Tax, 2002	Sales Tax	74.69	Financial Year 2016-17	20-04-2017	Paid amounting to ₹ 39.70 Lakhs till date
Maharashtra Value Added Tax, 2002	Sales Tax	27.97	Financial Year 2017-18	20-07-2017	Unpaid
Central Sales Tax Act, 1944	Central Sales Tax	3.89	Financial year 2016-17	20-01-2017	Unpaid
Central Sales Tax Act, 1944	Central Sales Tax	4.54	Financial year 2016-17	20-04-2017	Unpaid
Central Sales Tax Act, 1944	Central Sales Tax	5.62	Financial Year 2017-18	20-07-2017	Unpaid

- b. On the basis of our examination of accounts and documents on records of the Company and information and explanations given to us upon enquires in this regard, the disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Custom Duty and Excise Duty/Cess not deposited with the appropriate authorities are as under:

## STANDALONE STATEMENTS

### Statement of Disputed Dues:-

Name of the statute	Nature of the dues	Amount ₹ in Lakhs	Amount Paid under protest (Amount ₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax, Penalties and Interest	31,810.63	1,000.00	Various Years From 2009-10 to 2016-2017	Assistant commissioner of sales tax (Appeals)
Income Tax Act, 1961	Income Tax	41.84	-	Various Assessment Years From 2003-04 to 2014-15	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	37.64	-	Assessment Year 2004-05	High Court
Maharashtra Value Added Tax, 2002	Sales Tax	2,002.69	26.10	Various Years From 2005-06 to 2013-14	Joint Commissioner of sales tax (Appeals)
Central Sales Tax Act, 1956	Sales Tax	170.34	2.00	Various Years From 2005-06 to 2013-14	Joint Commissioner of sales tax (Appeals)

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.

x. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

xiii. In respect of transactions with related parties:

In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance

with Sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

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

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

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

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No. 103141

Mumbai  
Dated : 23 May 2018



# Annexure “B”

## to the Independent Auditor's Report

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

We have audited the Internal Financial Control over financial reporting of Eros International Media Limited (“the Company”) as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year then ended.

#### Management Responsibility for the Internal Financial Controls

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

#### Auditor's Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No. 103141

Mumbai  
Dated : 23 May 2018

# Balance Sheet

as at 31 March 2018

Amount ₹ in lakhs

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,746	3,966
Intangible assets	4		
a) Content advances		137,408	119,967
b) Film rights		77,315	88,743
c) Other intangible assets		26	34
d) Intangible assets under development		1,397	53
Financial assets			
a) Investments	5	5,503	6,803
b) Loans and advances	6	1,721	2,512
c) Restricted bank deposits	7	716	217
d) Other financial assets	8	672	722
Other non-current assets	9	2,951	4,740
<b>Total non-current assets</b>		<b>231,455</b>	<b>227,757</b>
<b>Current assets</b>			
Inventories	10	187	46
Financial assets			
a) Trade receivables	11	44,024	26,505
b) Cash and cash equivalents	12	385	131
c) Restricted bank deposits	13	3,776	4,255
d) Loans and advances	14	3,205	1,479
e) Other financial assets	15	294	184
Other current assets	16	55	106
<b>Total current assets</b>		<b>51,926</b>	<b>32,706</b>
<b>Total assets</b>		<b>283,381</b>	<b>260,463</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	17	9,497	9,385
Other equity	18	134,702	125,656
<b>Total equity</b>		<b>144,199</b>	<b>135,041</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
a) Borrowings	19	14,941	14,912
b) Trade payables	20	102	101
c) Other financial liabilities	21	-	1
Employee benefit obligations	22	425	351
Deferred tax liabilities	23	25,221	22,358
Other non-current liabilities	24	1,512	3,016
<b>Total non-current liabilities</b>		<b>42,201</b>	<b>40,739</b>
<b>Current liabilities</b>			
Financial liabilities			
a) Borrowings	25	48,621	41,534
b) Acceptances	26	5,796	5,795
c) Trade payables		17,023	10,731
d) Other financial liabilities	27	8,521	9,001
Employee benefit obligations	28	212	198
Current tax liabilities	29	3,506	4,265
Other current liabilities	30	13,302	13,159
<b>Total current liabilities</b>		<b>96,981</b>	<b>84,683</b>
<b>Total liabilities</b>		<b>139,182</b>	<b>125,422</b>
<b>Total equity and liabilities</b>		<b>283,381</b>	<b>260,463</b>

Notes 1 to 50 form an integral part of these standalone financial statements.

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No.: 101720W

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No: 103141

For and on behalf of Board of Directors

Sd/-  
**Sunil Arjan Lulla**  
Executive Vice Chairman and Managing Director  
(DIN: 00243191)

Sd/-  
**Farokh P. Gandhi**  
Chief Financial Officer

Sd/-  
**Sunil Srivastav**  
Non Executive Independent Director  
(DIN: 00237561)

Sd/-  
**Abhishekh Kanoi**  
Vice President - Company Secretary  
and Compliance Officer

Place: Mumbai  
Date : 23 May 2018

Place: Mumbai  
Date : 23 May 2018

# Statement of Profit and Loss

for the year ended 31 March 2018

Amount ₹ in lakhs

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
<b>Revenue</b>			
Revenue from operations (net)	31	70,766	114,618
Other income	32	2,091	1,848
<b>Total revenue</b>		<b>72,857</b>	<b>116,466</b>
<b>Expenses</b>			
Film right costs including amortization costs	33	33,201	68,033
Changes in inventories of film rights	34	(142)	262
Employee benefits expense	35	4,625	5,413
Finance cost (net)	36	7,488	5,201
Depreciation and amortization expense	37	615	532
Other expenses	38	13,027	15,925
<b>Total expenses</b>		<b>58,814</b>	<b>95,366</b>
Profit before tax		14,043	21,100
<b>Tax expense</b>			
Current tax		9,393	7,415
Deferred tax		(3,233)	447
Short/(excess) provision of earlier years		182	199
		<b>6,342</b>	<b>8,061</b>
<b>Profit after tax for the year</b>		<b>7,701</b>	<b>13,039</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurement gain on defined benefit plan		86	(22)
Income tax effect (net)		(30)	-
<b>Total comprehensive income for the year</b>		<b>7,757</b>	<b>13,017</b>
Earnings per share			
Basic (in ₹) (nominal value ₹10)	39	8.15	13.92
Diluted (in ₹) (nominal value ₹10)		8.03	13.68

Notes 1 to 50 form an integral part of these standalone financial statements

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No.: 101720W

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No: 103141

Place: Mumbai  
Date : 23 May 2018

For and on behalf of Board of Directors

Sd/-  
**Sunil Arjan Lulla**  
Executive Vice Chairman and Managing Director  
(DIN: 00243191)

Sd/-  
**Farokh P. Gandhi**  
Chief Financial Officer

Place: Mumbai  
Date : 23 May 2018

Sd/-  
**Sunil Srivastav**  
Non Executive Independent Director  
(DIN: 00237561)

Sd/-  
**Abhishekh Kanoi**  
Vice President - Company Secretary  
and Compliance Officer

# Statement of Changes in Equity

As at 31 March 2018

A. Equity share capital	Number	Amounts ₹ in lakhs
Balance as at 1 April 2016	93,589,164	9,358
Add: Issued on exercise of employee share options	269,553	27
Balance as at 31 March 2017	93,858,717	9,385
Add: Issued on exercise of employee share options	1,113,160	112
Balance as at 31 March 2018	94,971,877	9,497

## B. Other equity

Amount ₹ in Lakhs

Particulars	Share Premium Account	General Reserves	Share Options Outstanding	Retained Earnings	Other comprehensive income / (loss)	Total other equity
Balance as at 1 April 2016	37,513	526	1,775	71,315	12	111,141
Profit for the year	-	-	-	13,039	-	13,039
Actuarial gain / (loss) on employee benefit plans through OCI	-	-	-	-	(22)	(22)
Transfer from/to share option outstanding account	628	-	(628)	-	-	-
Employee stock option compensation expense	-	-	1,464	-	-	1,464
Employee stock option compensation expense to employee's of subsidiary	-	-	34	-	-	34
Balance as at 31 March 2017	38,141	526	2,645	84,354	(10)	125,656
Profit for the year	-	-	-	7,701	-	7,701
Actuarial gain / (loss) on employee benefit plans through OCI	-	-	-	-	56	56
Additions for employee stock options exercised during the year	247	-	-	-	-	247
Transfer from/to share option outstanding account	2,110	-	(2,110)	-	-	-
Employee stock option compensation expense	-	-	862	-	-	862
Employee stock option compensation expense to employee's of subsidiary	-	-	180	-	-	180
Balance as at 31 March 2018	40,498	526	1,577	92,055	46	134,702

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No.: 101720W

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No: 103141

Place: Mumbai  
Date : 23 May 2018

For and on behalf of Board of Directors

Sd/-  
**Sunil Arjan Lulla**  
Executive Vice Chairman and Managing Director  
(DIN: 00243191)

Sd/-  
**Farokh P. Gandhi**  
Chief Financial Officer

Place: Mumbai  
Date : 23 May 2018

Sd/-  
**Sunil Srivastav**  
Non Executive Independent Director  
(DIN: 00237561)

Sd/-  
**Abhishekh Kanoi**  
Vice President - Company Secretary  
and Compliance Officer



# Cash Flow Statement

For the year ended 31 March 2018

Amount ₹ in lakhs

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>14,043</b>	<b>21,100</b>
Non-cash adjustments to reconcile Profit before tax to net cash flows		
Depreciation and amortization	22,979	36,686
Trade receivables written off	3,539	206
Sundry balances written back	(79)	(316)
Content advances written off	228	450
Provision for doubtful advances	-	283
Advances and deposits written off	0	287
Provision for doubtful trade receivables	-	543
Unwinding of interest on expected credit loss	(409)	-
Finance costs	7,752	5,409
Interest income	(264)	(311)
Loss/(gain) on sale of tangible assets (net)	1	(1)
Impairment loss on investment in subsidiary	1,480	552
Expense on employee stock option scheme	834	1,398
Unrealised foreign exchange gain	(309)	229
<b>Operating profit before working capital changes</b>	<b>49,795</b>	<b>66,515</b>
Movements in working capital:		
Increase/(decrease) in current liabilities	(1,361)	(26,301)
Increase/(decrease) in other financial liabilities	(485)	192
Increase/(decrease) in trade payables	2,257	281
Increase/(decrease) in employee benefit obligations	88	164
(Increase)/decrease in inventories	29	18
(Increase)/decrease in trade receivables	(20,444)	(13,185)
(Increase)/decrease in other current assets	51	195
(Increase) /decrease in other non- current assets	1,640	(1,132)
(Increase)/decrease in short-term loans and advances	(934)	511
(Increase)/decrease in other financial assets	51	59
<b>Cash generated from operations</b>	<b>30,687</b>	<b>27,317</b>
Taxes paid (net)	(4,807)	(4,250)
<b>Net cash generated from operating activities (A)</b>	<b>25,880</b>	<b>23,067</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible assets	(443)	(383)
Purchase of intangible film rights and related content	(25,891)	(45,216)
Deposits with banks (net)	(21)	(2,692)
Advance given	-	1,014
Proceeds from sale of fixed assets	4	1
Interest income	154	258
<b>Net cash used in investing activities (B)</b>	<b>(26,197)</b>	<b>(47,018)</b>

# Cash Flow Statement

For the year ended 31 March 2018

Amount ₹ in lakhs

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares (net)	358	27
Repayment of long-term borrowings	(7,159)	(7,976)
Proceeds from long-term borrowings	7,272	11,074
Change in short-term borrowings	7,252	23,832
Finance charges (net)	(7,152)	(4,594)
<b>Net cash flow from/(used ) in financing activities (C)</b>	<b>571</b>	<b>22,363</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>254</b>	<b>(1,588)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>131</b>	<b>1,719</b>
<b>Cash and cash equivalents at the end of the year (refer note 12)</b>	<b>385</b>	<b>131</b>

**Change in liability arising from financing activities :-** Amount ₹ in lakhs

	Non current borrowings	Current borrowing	Acceptances	Total
As on 1 April 2017	22,060	41,534	5,795	69,389
Cash Flows	112	7,251	1	7,364
Adjustments	(37)	(164)	-	(201)
<b>As on 31 March 2018</b>	<b>22,135</b>	<b>48,621</b>	<b>5,796</b>	<b>76,552</b>

Notes 1 to 50 form an integral part of these standalone financial statements

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No.: 101720W

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No: 103141

Place: Mumbai  
Date : 23 May 2018

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

Sd/-  
**Sunil Arjan Lulla**  
Executive Vice Chairman and Managing Director  
(DIN: 00243191)

Sd/-  
**Farokh P. Gandhi**  
Chief Financial Officer

Place: Mumbai  
Date : 23 May 2018

Sd/-  
**Sunil Srivastav**  
Non Executive Independent Director  
(DIN: 00237561)

Sd/-  
**Abhishekh Kanoi**  
Vice President - Company Secretary  
and Compliance Officer

# Summary of Significant Accounting Policies

## Corporate Information

Eros International Media Limited (the 'Company') was incorporated in India, under the Companies Act, 1956. The Company is a global player within the Indian media and entertainment industry and is primarily engaged in the business of film production, exploitation and distribution. It operates on a vertically integrated studio model controlling content as well as distribution and exploitation across multiple formats globally, including cinema, digital, home entertainment and television syndication. Its shares are listed on leading stock exchanges in India (BSE Scrip Code: 533261; NSE Scrip Code: EROSMEDIA).

These separate financial statements were authorised for issue in accordance with a resolution passed in the Board of Directors meeting held on 23 May 2018.

## Basis of preparation

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

The financial statements have been prepared on accrual basis of accounting using historical cost basis, except certain investment and Employee Stock Option Plan ('ESOP') Compensation measured at fair value.

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

All values are rounded to the nearest rupees in Lakhs, except where otherwise indicated. Amount in zero (0) represents amount below rupees fifty thousand.

## 1. Significant Accounting Policies

### a. Revenue Recognition

Revenue is recognized, net of sales related taxes, when persuasive evidence of an arrangement exists, the fees are fixed or determinable, the product is delivered or services have been rendered and collectability is reasonably assured. The Company considers the terms of each arrangement to determine the appropriate accounting treatment.

The following additional criteria apply in respect of various revenue streams within filmed entertainment:

**Theatrical** — Contracted minimum guarantees are recognized on the theatrical release date. The Company's share of box office receipts in excess of the minimum guarantee is recognized at the point they are notified to the Company.

**Television** — License fees received in advance which do not meet all the above criteria are included in deferred income until the above criteria is met.

**Other** — DVD, CD and video distribution revenue is recognized on the date the product is delivered or if licensed in line with the above criteria. Provision is made for physical returns where applicable. Digital and ancillary media revenues are recognized at the earlier of when the content is accessed or declared. Visual effects, production and other fees for services rendered by the Company and overhead recharges are recognized in the period in which they are earned and in certain cases, the stage of production is used to determine the proportion recognized in the period.

## Other income

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

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

### b. Property, plant and equipment and depreciation

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

The cost of Property, Plant and Equipment comprises of its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and borrowing costs for assets that necessarily take a substantial period of time to get ready for their intended use. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Capital Work-in-progress (CWIP) includes expenditure that is directly attributable to the acquisition/construction of assets, which are yet to be commissioned.

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

### c. Intangible assets

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

Investments in films and associated rights, including acquired rights and distribution advances in respect of completed films, are stated at cost less amortization less provision for impairment. Costs include production costs, overhead and capitalized interest costs net of any amounts received from third party investors. A charge is made to write down the cost of completed rights over the estimated useful lives, writing off more in year one which recognizes initial income flows and then the balance over a period of up to nine years, except where the asset is not yet available for exploitation. The average life of the assets is the lesser of 10 years or the remaining life of the content rights. The amortization charge is recognized in the Statement of Profit and Loss within cost of sales. The determination of useful life is based upon Management's judgment and includes assumptions on the timing and future estimated revenues to be generated by these assets, which are summarized in Note 2.

Intangible assets comprising film scripts and related costs are stated at cost less amortization less provision for impairment. The script costs are amortized over a period of 3 years on a straight-line basis and the amortization charge is recognized in the income statement within cost of sales. The determination of useful life is based upon Management's estimate of the period

## STANDALONE STATEMENTS

over which the Company explores the possibility of making films using the script.

Other intangible assets, which comprise internally generated and acquired software used within the Entity's digital, home entertainment and internal accounting activities, are stated at cost less amortization less provision for impairment. A charge is made to write down the cost of software over the estimated useful lives except where the software is not yet available for use. The average life of the software is the lesser of 3 years or the remaining life of the software. The amortization charge is recognized in the Statement of Profit and Loss.

### d. Impairment of non-financial assets

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

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'value in use'.

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

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

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

### e. Borrowing costs

The Company is capitalising borrowing costs that are directly attributable to the acquisition or construction of qualifying assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

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

### f. Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of

impairment loss on risk exposure arising from financial assets like debt instruments measured at amortised cost e.g., trade receivables and deposits.

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other income or other expenses' in the P&L.

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

### g. Inventories

Inventories primarily comprise of music CDs and DVDs are valued at the lower of cost and net realizable value. Cost in respect of goods for resale is defined as all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost in respect of raw materials is purchase price.

Purchase price is assigned using a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### h. Provisions, Contingent Liabilities and Contingent Assets

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



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

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

#### i. **Employee Benefits**

##### **Short term employee benefits obligations**

Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which related services are rendered.

##### **Post-employment benefits and other long term employee benefits**

###### **Defined contribution plan**

Provident fund & National Pension scheme: The Company's contributions paid or payable during the year to the provident fund, employee's state insurance corporation and National pension scheme are recognized in the Statement of Profit and Loss. This fund is administered by the respective Government authorities, and the Company has no further obligation beyond making its contribution, which is expensed in the year to which 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 an 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 are recognized immediately in the Other Comprehensive Income as income or expense and are not reclassified to profit or loss in subsequent periods. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Compensated absences: Accumulated compensated absences are expected to be availed or encashed within 12 months from the end of the year and are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

###### **Employee stock option plan**

In accordance with Ind AS 102 Share Based Payments, the fair value of shares or options granted is recognized as personnel costs with a corresponding increase in equity. The fair value is measured at the grant date and spread over the period during which the recipient becomes unconditionally entitled to payment unless forfeited or surrendered.

The fair value of share options granted is measured using the Black Scholes model, each taking into account the terms and conditions upon which the grants are made. At each Balance Sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of non-market based vesting conditions. The amount recognized as an expense is adjusted to reflect the revised estimate of the number of equity instruments that are expected to become exercisable, with a corresponding adjustment to equity. The Company's share option plan does not feature any cash settlement option.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares are allocated to equity share capital with any excess being recorded as securities premium.

#### j. **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. Leases in which significantly all the risks and rewards incidental to ownership are transferred to the lessee are classified as Finance leases. All other leases are Operating Leases.

##### **As a lessee**

###### **Finance lease**

Leases are classified as finance leases (including those for land), if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

At the commencement of the lease term, the Company recognises finance leases as assets and liabilities in its balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Any indirect costs of the Company are added to the amount recognized as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

###### **Operating lease**

Leases (including those for land) which are not classified as finance leases are considered as operating lease. Lease payments under an operating lease are recognized as an expense on a straight-line basis over the lease term unless either:

- A. Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- B. The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

##### **As a lessor**

###### **Finance lease**

All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts are adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

###### **Operating lease**

Lease income from operating lease (excluding amount for services such as insurance and maintenance) is recognized in the statement of profit or loss on a straight-line basis over the lease term, unless either:

- A. Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the Company are not on that basis; or
- B. The payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases. If payments to the Company vary because of factors other than general inflation, then this condition is not met.

## k. Foreign Currency Transactions

Transactions in foreign currencies are translated at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated at the prevailing rates of exchange at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognized in the Statement of Profit and Loss in the period in which they arise. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Company's functional currency and the presentation currency is same i.e. Indian Rupee (₹).

## l. Financial instrument

### Non-derivative financial instruments

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

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities (other than financial assets and liabilities at fair value through Statement of Profit and Loss) 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 fair value through Statement of Profit and Loss are recognized immediately in profit or loss. Financial assets and financial liabilities are offset against each other and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

A financial instrument is measured at fair value through profit or loss if:

- it has been acquired principally for the purpose of selling/repurchasing it in the near term
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent pattern of short term profit taking or
- it is a derivative that is not designated in a hedging relationship.

The fair value of financial instruments denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore for financial instruments that are classified as fair value through Statement of Profit and Loss, the exchange component is recognized in Statement of Profit and Loss.

### Financial Assets

#### Financial assets are divided into the following categories:

- financial assets carried at amortised cost
- financial assets at fair value through Other Comprehensive Income
- financial assets at fair value through Statement of Profit and Loss;

Financial assets are assigned to the different categories by Management on initial recognition, depending on the nature and purpose of the financial assets. The designation of financial

assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available. Financial Assets like Investments in Subsidiaries are measured at Cost as allowed by Ind-AS 27 – Separate Financial Statements and hence are not fair valued.

### Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These are non-derivative financial assets that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank and cash balances) are measured subsequent to initial recognition at amortized cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognized in the Statement of Profit and Loss.

In accordance with Ind AS 109: Financial Instruments, the Company recognizes impairment loss allowance on trade receivables and content advances based on historically observed default rates. Impairment loss allowance recognized during the year is charged to Statement of Profit and Loss.

### Financial assets at fair value through Other Comprehensive Income

Financial assets at fair value through Other Comprehensive Income are non-derivative financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. It includes non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. Gains and losses arising from investments classified under this category is recognized in the Statement of Profit and Loss when they are sold or when the investment is impaired.

In the case of impairment, any loss previously recognized in Other Comprehensive Income is transferred to the Statement of Profit and Loss. Impairment losses recognized in the Statement of Profit and Loss on equity instruments are not reversed through the Statement of Profit and Loss. Impairment losses recognized previously on debt securities are reversed through the Statement of Profit and Loss when the increase can be related objectively to an event occurring after the impairment loss was recognized in the Statement of Profit and Loss.

When the Company considers that fair value of financial assets can be reliably measured, the fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company applies its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. Equity instruments measured at fair value through profit or loss that do not have a quoted price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment at the end of each reporting period.

An assessment for impairment is undertaken at least at each balance sheet date.

A financial asset is derecognized only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Company retains

the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Company transfers substantially all the risks and rewards of ownership of the asset, or if the Company neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

#### Financial liabilities

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

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading such as a derivative, except for a designated and effective hedging instrument, or if upon initial recognition it is thus designated to eliminate or significantly reduce measurement or recognition inconsistency or it forms part of a contract containing one or more embedded derivatives and the contract is designated as fair value through profit or loss.

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

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

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

A financial liability is derecognized only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires. Changes in liabilities fair value that are reported in profit or loss are included in the Statement of Profit and Loss within finance costs or finance income.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when, there is a legally enforceable right to offset the recognized amount and there is intention either to settle on net basis or to realize the assets and to settle the liabilities simultaneously.

#### m. Taxes

Taxation on profit and loss comprises current tax and deferred tax. Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or Other Comprehensive Income in which case tax impact is also recognized in equity or Other Comprehensive Income.

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

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

Deferred tax is not recognized for all taxable temporary differences between the carrying amount and tax bases of investments

in subsidiaries, branches and associates and interest in joint arrangements where it is probable that the differences will not reverse in the foreseeable future.

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

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

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

#### n. Earnings per share

Basic EPS is computed by dividing net profit after taxes for the year by weighted average number of equity shares outstanding during the financial year, adjusted for bonus share elements in equity shares issued during the year and excluding treasury shares, if any.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### o. Cash and cash equivalents

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

Deposits held with banks as security for overdraft facilities are included in restricted deposits held with bank.

#### p. Segment reporting

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

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

#### q. Statement of cash flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash

## STANDALONE STATEMENTS

nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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

### r. Dividends

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

### s. Event occurring after the reporting date

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

### t. Standards Issued but not yet Effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on 28 March 2018) which are effective for annual periods beginning after 1 April 2018. The Company intends to adopt these standards or amendments from the effective date.

#### Ind AS 115 Revenue from contract with customers

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The core principle of the new standard that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This Standard permit two possible methods of transition i.e. retrospective approach and modified retrospective method.

Based on the preliminary assessment, the company does not expect any significant impacts on transition to Ind AS 115. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options to be considered.

#### Amendments to existing Ind AS

The following amended standards are not expected to have a significant impact on the Company's standalone financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company when it will adopt the respective standards.

- Ind AS 40 - Investment Property - The amendment lays down the principle regarding the transfer of asset to, or from, investment property.

- Ind AS 21 - The Effects of Changes in Foreign Exchange Rates - The amendment lays down principles to determine the date of transaction when a company recognizes a non-monetary prepayment asset or deferred income liability.
- Ind AS 12 - Income Taxes - The amendments explain that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps.

## 2. Significant accounting judgements estimates and assumptions

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

### a. Intangible Assets

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

Accounting for the film content requires Management's judgment as it relates to total revenues to be received and costs to be incurred throughout the life of each film or its license period, whichever is the shorter. These judgments are used to determine the amortization of capitalized film content costs. The Company uses a stepped method of amortization on first release film content writing off more in year one which recognizes initial income flows and then the balance over a period of up to nine years. In the case of film content that is acquired by the Company after its initial exploitation, commonly referred to as Library, amortization is spread evenly over the lesser of 10 years or the license period. Management's policy is based upon factors such as historical performance of similar films, the star power of the lead actors and actresses and others. Management regularly reviews, and revises when necessary, its estimates, which may result in a change in the rate of amortization and/or a write down of the asset to the recoverable amount.

Intangible assets are tested for impairment in accordance with the accounting policy. These calculations require judgments and estimates to be made, and in the event of an unforeseen event these judgments and assumptions would need to be revised and the value of the intangible assets could be affected. There may be instances where the useful life of an asset is shortened to reflect the uncertainty of its estimated income generating life.

### b. Employee benefit plans

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future. For further details refer to Note 41.

### c. Fair value measurement of ESOP Liability

The fair value of ESOP Liability is determined using valuation methods which involves making various assumptions that may differ from actual developments in the future. For further details refer Note 41.

### d. Trade receivable

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



**e. Depreciation**

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

**f. Impairment of non-financial assets**

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

**g. Provisions**

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

**h. Fair value measurement**

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

## Notes

## to the standalone financial statements and other explanatory information

## 3 Property, plant and equipment

Details of the Company's property, plant and equipment and their carrying amounts are as follows:

Amount ₹ in lakhs

Gross carrying amount	Buildings	Leasehold improvements	Furniture and fixtures	Motor vehicles	Office equipment	Data processing equipment	Studio equipment	Capital work in progress	Total
<b>Balance as at 1 April 2016</b>	<b>3,317</b>	<b>-</b>	<b>156</b>	<b>162</b>	<b>48</b>	<b>269</b>	<b>287</b>	<b>408</b>	<b>4,647</b>
Additions	-	258	118	138	119	108	-	7	748
Adjustments/ disposals	-	-	-	(4)	(4)	-	-	-	(8)
Capitalized during the year	-	-	-	-	-	-	-	(402)	(402)
<b>Balance as at 31 March 2017</b>	<b>3,317</b>	<b>258</b>	<b>274</b>	<b>296</b>	<b>163</b>	<b>377</b>	<b>287</b>	<b>13</b>	<b>4,985</b>
Additions	-	114	-	272	7	5	-	114	512
Adjustments/ disposals	-	-	(0)	(88)	-	(8)	-	(7)	(103)
Capitalized during the year	-	-	-	-	-	-	-	(114)	(114)
<b>Balance as at 31 March 2018</b>	<b>3,317</b>	<b>372</b>	<b>274</b>	<b>480</b>	<b>170</b>	<b>374</b>	<b>287</b>	<b>6</b>	<b>5,280</b>
<b>Accumulated depreciation</b>									
Balance as at 1 April 2016	161	-	65	43	19	131	90	-	509
Depreciation charge	153	33	51	62	39	118	61	-	517
Adjustments/ disposals	-	-	-	(3)	(4)	-	-	-	(7)
<b>Balance as at 31 March 2017</b>	<b>314</b>	<b>33</b>	<b>116</b>	<b>102</b>	<b>54</b>	<b>249</b>	<b>151</b>	<b>-</b>	<b>1,019</b>
Depreciation charge	146	174	49	71	50	76	40	-	606
Adjustments/ disposals	-	(0)	(0)	(83)	0	(8)	-	-	(91)
<b>Balance as at 31 March 2018</b>	<b>460</b>	<b>207</b>	<b>165</b>	<b>90</b>	<b>104</b>	<b>317</b>	<b>191</b>	<b>-</b>	<b>1,534</b>
<b>Net carrying amount</b>									
Balance as at 31 March 2017	3,003	225	158	194	109	128	136	13	3,966
<b>Balance as at 31 March 2018</b>	<b>2,857</b>	<b>165</b>	<b>109</b>	<b>390</b>	<b>66</b>	<b>57</b>	<b>96</b>	<b>6</b>	<b>3,746</b>

- The Company's immovable property situated in Mumbai, India is pledged against the borrowings as explained in note 19 and 25
- The Company has used Indian GAAP carrying value of its Property, plant and equipment on date of transition as deemed cost, accordingly, the net carrying amount as per Indian GAAP as on 1 April 2015 has been considered as gross carrying amount under Ind-AS 101. Details of accumulated depreciation as on 1 April 2015 are as under:-

Amount ₹ in lakhs

Gross carrying amount	Buildings	Leasehold improvements	Furniture and fixtures	Motor vehicles	Office equipment	Data processing equipment	Studio equipment	Capital work in progress	Total
<b>Accumulated depreciation as on 1 April 2015</b>	<b>791</b>	<b>-</b>	<b>426</b>	<b>191</b>	<b>95</b>	<b>435</b>	<b>1,220</b>	<b>-</b>	<b>3,158</b>

## Notes

### to the standalone financial statements and other explanatory information

#### 4 Intangible assets

Details of the Company's Intangible assets and their carrying amounts are as follows:

Amount ₹ in lakhs

Gross carrying amount	Content advances*	Film rights	Other intangible assets	Total
<b>Balance as at 1 April 2016</b>	109,468	144,535	59	144,594
Additions	79,698	37,321	13	37,334
Transfer to film and content rights	(68,652)	(3,962)	-	(3,962)
Amount written off	(450)	-	-	-
Provision for doubtful advances	(97)	-	-	-
<b>Balance as at 31 March 2017</b>	<b>119,967</b>	<b>177,894</b>	<b>72</b>	<b>177,966</b>
Additions	39,442	10,936	-	10,936
Transfer to film and content rights	(21,773)	-	-	-
Amount written off	(228)	-	-	-
<b>Balance as at 31 March 2018</b>	<b>137,408</b>	<b>188,830</b>	<b>72</b>	<b>188,902</b>
<b>Accumulated amortization</b>				
<b>Balance as at 1 April 2016</b>		52,997	23	53,020
Amortization charge		36,154	15	36,169
<b>Balance as at 31 March 2017</b>		<b>89,151</b>	<b>38</b>	<b>89,189</b>
Amortization charge		22,364	8	22,372
<b>Balance as at 31 March 2018</b>		<b>111,515</b>	<b>46</b>	<b>111,561</b>
<b>Net carrying amount</b>				
Balance as at 31 March 2017	119,967	88,743	34	88,777
<b>Balance as at 31 March 2018</b>	<b>137,408</b>	<b>77,315</b>	<b>26</b>	<b>77,341</b>

1. The Company has used Indian GAAP carrying value of its intangible assets on date of transition as deemed cost, accordingly, the net carrying amount as per Indian GAAP as on 1 April 2015 has been considered as gross carrying amount under Ind-AS 101. Details of accumulated amortization as on 1 April 2015 are as under:-

<b>Accumulated amortization as on 1 April 2015</b>	<b>223,210</b>	<b>119</b>	<b>223,329</b>
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\*Net of cumulative provision for doubtful content advances ₹ Nil (FY 2016-17: ₹ 97 Lakhs)

#### 5 Investments

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>A Non current investments</b>		
Unquoted equity shares		
<b>i) Investment in equity shares of subsidiaries accounted at cost</b>		
<b>Eros International Films Private Limited</b>		
19,930,300 (31 March 2017 : 19,930,300) equity shares of ₹10 each, fully paid-up	1,993	1,993
<b>Eros Animation Private Limited</b>		
9,300 (31 March 2017 : 9,300) equity shares of ₹ 10 each, fully paid-up	1	1
<b>Copsale Limited</b>		
105,000 (31 March 2017 : 105,000) equity shares of USD 1 each, fully paid-up	45	45
<b>Big Screen Entertainment Private Limited</b>		
6,400 (31 March 2017 : 6,400) equity shares of ₹ 10 each, fully paid-up	1	1
<b>EyeQube Studios Private Limited</b>		
9,999 (31 March 2017 : 9,999) equity shares of ₹ 10 each, fully paid-up	1	1
<b>EM Publishing Private Limited</b>		

## Notes

## to the standalone financial statements and other explanatory information

## 5 Investments (Contd.)

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
9,900 (31 March 2017 : 9,900) equity shares of ₹ 10 each, fully paid-up	1	1
<b>Digicine PTE Limited</b>		
100 (31 March 2017 : 100) equity shares of USD 1 each, fully paid-up	0	0
<b>Colour Yellow Productions Private Limited</b>		
5,000 (31 March 2017 : 5,000) equity shares of ₹ 10 each, fully paid-up	1	1
<b>ii) Investment in equity shares of subsidiaries accounted at fair value</b>		
<b>Universal Power Systems Private Limited<sup>#</sup></b>		
1,000 (31 March 2017 : 1,000) equity shares of ₹ 100 each, fully paid-up	5,492	5,312
Less: Provision for impairment in the value of investment	(2,032)	(552)
<b>Total</b>	<b>5,503</b>	<b>6,803</b>
Aggregate value of unquoted investments	7,535	7,355
Aggregate value of impairment in the value of investment	2,032	552

<sup>#</sup>Increase in value of investment is due to ESOP benefits provided to subsidiary

## 6 Loans and advances

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Unsecured considered good, unless otherwise stated		
Amounts due from related parties (refer note 43)	39	39
Other loans and advances		
Considered good	1,682	2,473
Considered doubtful	-	186
Less: Allowances for doubtful loans	-	(186)
<b>Total</b>	<b>1,721</b>	<b>2,512</b>

## 7 Restricted bank deposits

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Bank deposits with maturity of more than twelve months*	716	217
<b>Total</b>	<b>716</b>	<b>217</b>

\* Given as securities to bank for margin

## 8 Other financial assets

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Unsecured and considered good		
Security deposits to		
- Related parties (refer note 43)	617	651
- Others	55	71
<b>Total</b>	<b>672</b>	<b>722</b>

## 9 Other non-current assets

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Advance payment of income taxes (net of provision)	177	326
Balances due with statutory authorities	2,774	4,414
<b>Total</b>	<b>2,951</b>	<b>4,740</b>



## Notes

### to the standalone financial statements and other explanatory information

#### 10 Inventories

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
VCD/ DVD/ Audio CDs	9	38
Film rights	178	8
<b>Total</b>	<b>187</b>	<b>46</b>

#### 11 Trade receivables

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Secured, considered good	1,327	1,771
Unsecured, considered good	33,616	15,724
Considered doubtful	419	934
Dues from related parties (refer note 43)	8,791	8,589
Unbilled Income	290	421
	<b>44,443</b>	<b>27,439</b>
Less : Provision for doubtful receivables	-	(106)
Less : Expected credit loss	(419)	(828)
<b>Total</b>	<b>44,024</b>	<b>26,505</b>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All accounts receivable are pledged against borrowing which are shown under note 19 and 25.

#### 12 Cash and cash equivalents

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Cash on hand	7	13
Cheques on hand	5	20
<b>Balances with banks</b>		
In current account	373	97
In deposit account (with original maturity of less than 3 months)	-	1
<b>Total</b>	<b>385</b>	<b>131</b>

#### 13 Restricted bank deposits

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Unclaimed dividend account	1	1
Margin money accounts with:*		
maturity less than twelve months	3,775	4,254
maturity more than twelve months	716	217
	<b>4,492</b>	<b>4,472</b>
Less: disclosed under non current financial assets - Restricted deposits (refer note 7)	(716)	(217)
<b>Total</b>	<b>3,776</b>	<b>4,255</b>

\* Given as securities to bank for margin

## Notes

## to the standalone financial statements and other explanatory information

## 14 Loans and advances

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Unsecured and considered good		
Amounts due from related parties (refer note 43)	2,662	867
Loans and advances to employees	146	173
Other loans	392	435
Security deposits	5	4
<b>Total</b>	<b>3,205</b>	<b>1,479</b>

## 15 Other financial assets

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Accrued interest on fixed deposits	110	184
Forward contract assets	184	-
<b>Total</b>	<b>294</b>	<b>184</b>

## 16 Other current assets

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Prepaid expenses	55	106
<b>Total</b>	<b>55</b>	<b>106</b>

## 17 Equity share capital

₹ in lakhs, except share data

	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	125,000,000	12,500	125,000,000	12,500
	<b>125,000,000</b>	<b>12,500</b>	<b>125,000,000</b>	<b>12,500</b>
<b>Issued, subscribed and fully paid- up</b>				
Equity shares of ₹ 10 each	94,971,877	9,497	93,858,717	9,385
<b>Total</b>	<b>94,971,877</b>	<b>9,497</b>	<b>93,858,717</b>	<b>9,385</b>

## a) Reconciliation of paid- up share capital (Equity Shares)

₹ in lakhs, except share data

	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
Balance at the beginning of the year	93,858,717	9,385	93,589,164	9,358
Add: Issued on exercise of employee share options	1,113,160	112	269,553	27
<b>Balance at the end of the year</b>	<b>94,971,877</b>	<b>9,497</b>	<b>93,858,717</b>	<b>9,385</b>

During the year, the Company has issued total 1,113,160 equity shares (31 March 2017: 269,553 ) on exercise of options granted under the employees stock option plan (ESOP) wherein part consideration was received in the form of employees services.

## b) Shares held by holding company, ultimate holding company, subsidiaries / associates of holding company or ultimate holding company

₹ in lakhs, except share data

	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
Equity shares of ₹ 10 each				
Eros Worldwide FZ LLC - Holding company	35,409,440	3,541	47,126,290	4,713
Eros Digital Private Limited - Fellow subsidiary	21,700,000	2,170	21,700,000	2,170

## Notes

### to the standalone financial statements and other explanatory information

#### 17 Equity share capital (Contd.)

##### c) Details of Shareholders holding more than 5% of the shares in the company

₹ in lakhs, except share data

	As at 31 March 2018		As at 31 March 2017	
	Number	% holding in the class	Number	% holding in the class
Equity shares of ₹ 10 each				
Eros Worldwide FZ LLC - Holding company	35,409,440	37.28%	47,126,290	50.21%
Eros Digital Private Limited - Fellow subsidiary	21,700,000	22.85%	21,700,000	23.12%

##### d) Details of employee stock options issued during the last 5 years

During the period of five years immediately preceding the reporting date, the Company has issued total 2,149,567 equity shares (31 March 2017: 1,220,890) on exercise of options granted under the employees stock option plan (ESOP) wherein part consideration was received in the form of employee services.

##### e) Details of equity share issued for consideration other than cash during the last 5 years

During the period of five years immediately preceding the reporting date, the Company has issued total 900,970 equity shares (31 March 2017: 900,970) to the shareholders of Universal Power Systems Private Limited at a premium of ₹ 586 per share in exchange for the entire shareholding of Universal Power Systems Private Limited.

##### f) Rights, preferences, restrictions of equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Every holder is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors and approved by the Shareholders in the Annual General Meeting is paid in Indian rupees.

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

#### 18 Other equity

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Securities premium</b>		
Balance at the beginning of the year	38,141	37,513
Add : Shares issued on employee stock options exercised during the year	247	-
Add : Transfer from share option outstanding account	2,110	628
<b>Balance at the end of the year</b>	<b>40,498</b>	<b>38,141</b>
<b>Share options outstanding account</b>		
Balance at the beginning of the year	2,645	1,775
Less: Transfer to securities premium account	(2110)	(628)
Add: Employee stock option compensation expense	862	1,464
Add: Employee stock option compensation expense to employee's of subsidiary	180	34
<b>Balance at the end of the year</b>	<b>1,577</b>	<b>2,645</b>
<b>General reserve</b>		
<b>Balance as per last balance sheet</b>	<b>526</b>	<b>526</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	84,354	71,315
Add: Net profit after tax for the year	7,701	13,039
<b>Balance at the end of the year</b>	<b>92,055</b>	<b>84,354</b>
<b>Other comprehensive income</b>		
Balance at the beginning of the year	(10)	12
Actuarial gain / (loss) on employee benefit plans through OCI	56	(22)
<b>Balance at the end of the year</b>	<b>46</b>	<b>(10)</b>
<b>Total</b>	<b>134,702</b>	<b>125,656</b>

- 1) Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognized in Securities Premium Reserve.
- 2) General Reserve: General Reserve was created by transferring a portion of the net profit of the Company as per the requirements of the Companies Act, 2013.
- 3) Retained Earnings: Remaining portion of profits earned by the Company till date after appropriations.

## Notes

## to the standalone financial statements and other explanatory information

## 19 Long-term borrowings

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Secured</b>		
Term loan from banks*	15,761	22,088
Car loans#	330	130
<b>Unsecured</b>		
Term loan from others**	6,240	-
	<b>22,331</b>	<b>22,218</b>
Less: Cumulative effect of unamortised cost	(196)	(158)
Less: Current maturities disclosed under other current financial liabilities (refer note 27)	(7,194)	(7,148)
<b>Total</b>	<b>14,941</b>	<b>14,912</b>

\* Term loans from banks carry an interest rate between 12% - 14% are secured by pari passu first charge on the DVD/ satellite rights acquired for the domestic market, actionable claims, revenue and receivables arising on sales of the rights and negatives of films. Term loans are further secured by equitable mortgage of Company's immovable properties situated at Mumbai (India), amounts held as margin money, corporate guarantee of Eros International PLC (the ultimate holding company), residual value of equipments and vehicles and existing rights of hindi films with nil book value.

# Car loans are secured by hypothecation of vehicles acquired there against, carrying rate of interest of 7.48%-9.50% which are repayable as per maturity profile set out below.

\*\*Term loan from others carry an interest rate of 14% are secured against the pledge of company's shares held by holding company, current assets of a subsidiary company and corporate guarantee of holding company and subsidiary company.

Maturity profile of long term borrowing is set out below:-

Amount ₹ in lakhs

	Less than 1 year	1-3 years	3-5 years
<b>Secured</b>			
Term loan from banks	6,322	8,386	1,053
Car loan	132	198	-
<b>Unsecured</b>			
Term loan from others	740	3,220	2,280
<b>Total</b>	<b>7,194</b>	<b>11,804</b>	<b>3,333</b>

## 20 Trade payable - non current

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Payable to related parties (refer note 43)	102	101
<b>Total</b>	<b>102</b>	<b>101</b>

## 21 Other financial liabilities

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Security deposits	-	1
<b>Total</b>	<b>-</b>	<b>1</b>

## 22 Employee benefit obligations - non current

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Provision for gratuity (refer note 41)	425	351
<b>Total</b>	<b>425</b>	<b>351</b>



## Notes

### to the standalone financial statements and other explanatory information

#### 23 Deferred tax liabilities (net)

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Deferred tax liability on</b>		
Depreciation on tangible assets	107	154
Amortization of intangible assets	26,795	30,221
<b>Total</b>	<b>26,902</b>	<b>30,375</b>
<b>Deferred tax asset on</b>		
Provision for expenses allowed on payment basis	971	741
Others	199	476
MAT credit recoverable	511	6,800
<b>Total</b>	<b>1,681</b>	<b>8,017</b>
<b>Deferred tax liabilities (net)</b>	<b>25,221</b>	<b>22,358</b>

#### Reconciliation of statutory rate of tax and effective rate of tax

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Profit before tax	14,043	21,100
Tax expense	6,342	8,061
<b>Tax rate as a % of profit before tax</b>	<b>45.16%</b>	<b>38.20%</b>
<b>Adjustments</b>		
Non-deductible expenses for tax purposes	-2.19%	-1.59%
Effect of change in deferred tax balances due to change in tax rates	-1.76%	0.00%
Tax impact of earlier years	-2.88%	-0.95%
Effect of unrecognized deferred tax assets	-3.65%	-0.91%
Others	-0.07%	-0.14%
<b>At India's statutory income tax rate of 34.61% (31 March 2017: 34.61%)</b>	<b>34.61%</b>	<b>34.61%</b>

#### 24 Other non-current liabilities

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Deferred revenue	1,512	3,016
<b>Total</b>	<b>1,512</b>	<b>3,016</b>

#### 25 Short-term borrowings

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Repayable on demand</b>		
<b>Secured</b>		
From banks	38,813	34,518
<b>Unsecured</b>		
From others*	4,000	2,400
From related parties (refer note 43)	5,808	4,616
<b>Total</b>	<b>48,621</b>	<b>41,534</b>

Secured short term borrowings include:

Cash credit carry an interest rate between 10% - 13% , secured by way of hypothecation of inventories and receivables relating to domestic rights operations on pari passu basis.

Bills discounted carry an interest rate between 10% - 11% for INR bills and LIBOR+3.5% for USD bills, secured by document of title to goods and accepted hundis with first pari passu charge on current assets.

## Notes

### to the standalone financial statements and other explanatory information

#### 25 Short-term borrowings (Contd.)

Packing credit carry an interest rate between 10% - 11% for INR and LIBOR + 3.5% for USD, secured by hypothecation of films and film rights with first pari passu charge on current assets.

Short term borrowings are further secured by equitable mortgage of company's immovable properties situated at Mumbai (India), amount held in margin money, corporate guarantee of Eros International Plc (the ultimate holding company), residual value of equipments and existing rights of hindi films with nil book value.

\*Loan from others are secured by security provided by holding company.

#### 26 Acceptances

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Payable under the film financing arrangements	5,796	5,795
<b>Total</b>	<b>5,796</b>	<b>5,795</b>

Acceptances comprise of credit availed from financial institutions for payment to film producers for film co-production arrangement entered by the group. The carrying value of acceptances are considered a reasonable approximation of fair value.

#### 27 Other financial liabilities

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Current maturities of long term borrowings (refer note 19)	7,194	7,148
Interest accrued but not due	294	382
Unclaimed dividend*	1	1
Employee dues	364	173
Other payables	394	1,114
Other payable to related party (refer note 43 )	274	183
<b>Total</b>	<b>8,521</b>	<b>9,001</b>

\*These figures do not includes any amount due and outstanding to be credited to Investor Education and Protection Fund.

#### 28 Employee benefit obligations - current

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Gratuity	53	38
Compensated absences	159	160
<b>Total</b>	<b>212</b>	<b>198</b>

#### 29 Current tax liabilities

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Provision for corporate taxes (net)	3,506	4,265
<b>Total</b>	<b>3,506</b>	<b>4,265</b>

#### 30 Other current liabilities

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Advance from customers- related parties (refer note 43)	3,457	209
Advances from customers- others	1,145	1,479
Deferred revenue	2,449	2,810
Duties and taxes payable	6,251	8,661
<b>Total</b>	<b>13,302</b>	<b>13,159</b>

## Notes

### to the standalone financial statements and other explanatory information

#### 31 Revenue from operations (net)

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from distribution and exhibition of film and other rights	70,678	114,602
Revenue from services	88	16
<b>Total</b>	<b>70,766</b>	<b>114,618</b>

#### 32 Other income

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Sundry balances written back	69	308
Interest income on advances	499	103
Unwinding of interest on expected credit loss	409	-
Other non-operating income	1,104	482
Gain on sale of tangible assets (net)	-	1
Bad debts recovered	10	8
Income from export incentives	-	946
<b>Total</b>	<b>2,091</b>	<b>1,848</b>

#### 33 Film right cost including amortization costs

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Amortization of film rights (refer note 4)	22,364	36,154
Film rights cost	10,837	31,879
<b>Total</b>	<b>33,201</b>	<b>68,033</b>

#### 34 Changes in inventories of film rights

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Opening stock		
- Finished goods	45	307
Closing stock		
- Finished goods	187	45
<b>Total</b>	<b>(142)</b>	<b>262</b>

#### 35 Employee benefits expense

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and bonus	3,328	3,611
Contribution to provident and other funds (refer note 41)	184	195
Gratuity expense (refer note 41)	196	83
Employee stock option compensation (refer note 41)	834	1,398
Staff welfare expenses	83	126
<b>Total</b>	<b>4,625</b>	<b>5,413</b>

## Notes

## to the standalone financial statements and other explanatory information

## 36 Finance cost

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense	7,950	5,036
Other borrowing costs	399	541
Interest on late payment of taxes	1,518	1,489
	<b>9,867</b>	<b>7,066</b>
Less: Interest capitalised to film rights*	(2,115)	(1,657)
Less: Interest income	(264)	(208)
<b>Total</b>	<b>7,488</b>	<b>5,201</b>

\*The capitalisation rate of interest was 10.91 % (31 March 2017: 9.95 %)

## 37 Depreciation and amortization expense

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on tangible assets (refer note 3)	607	517
Amortization on intangible assets (refer note 4)	8	15
<b>Total</b>	<b>615</b>	<b>532</b>

## 38 Other expenses

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Print and digital distribution cost	1,182	2,669
Selling and distribution expenses	3,491	6,655
Processing and other direct cost	208	572
Shipping, packing and forwarding expenses	72	181
Home entertainment products related cost	23	64
Power and fuel	53	56
Rent	328	529
Repairs and maintenance	130	182
Insurance	18	20
Rates and taxes	11	64
Legal and professional	1,347	1,282
Payments to auditors (refer note 47)	116	191
Provision for doubtful receivables	-	543
Provision for doubtful advances (refer note 4 and 6)	-	283
Communication expenses	57	80
Travelling and conveyance	208	270
Content advances written off (refer note 4)	228	450
Advances and deposits written off	0	287
Loss on disposal of fixed assets (net)	1	-
Trade receivables written off	3,539	206
Provision for impairment in the value of investment	1,480	552
Loss on foreign currency transactions and translation (net)	68	235
CSR expenditure (refer note 49)	0	10
Miscellaneous expenses	467	544
<b>Total</b>	<b>13,027</b>	<b>15,925</b>



## Notes

### to the standalone financial statements and other explanatory information

#### 39 Earnings per share

	Year ended 31 March 2018	Year ended 31 March 2017
<b>a) Computation of net profit for the year</b>		
Profit after tax attributable to equity shareholders (₹ in lakhs)	7,701	13,039
<b>b) Computation of number of shares for Basic Earnings per share</b>		
Weighted average number of equity shares	94,524,136	93,654,393
<b>Total</b>	<b>94,524,136</b>	<b>93,654,393</b>
<b>c) Computation of number of shares for Diluted Earnings per share</b>		
Weighted average number of equity shares used in the calculation of basic earning per share	94,524,136	93,654,393
Add:- Effect of ESOPs	1,342,648	1,682,594
<b>Weighted average number of equity shares used in the calculation of diluted earning per share</b>	<b>95,866,784</b>	<b>95,336,987</b>
<b>d) Nominal value of shares (in ₹)</b>	<b>10</b>	<b>10</b>
<b>e) Computation</b>		
Basic (in ₹)	8.15	13.92
Diluted (in ₹)	8.03	13.68

#### 40 Contingent liabilities and commitments (to the extent not provided for)

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>a) Contingent liabilities</b>		
<b>(i) Claims against the Company not acknowledged as debt</b>		
Sales tax claims disputed by the Company	669	317
Service tax claim disputed by the Company	30,811	30,811
Income tax liability that may arise in respect of matters in appeal	79	60
<b>(ii) Guarantees</b>		
Guarantee given in favour of various government authorities	25	25
<b>Total (a)</b>	<b>31,584</b>	<b>31,213</b>

#### Notes:

- During the year ended 31 March 2015, the Company received a show cause notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 15,675 lakhs for the period 1 April 2009 to 31 March 2014 should not be levied on and paid by the Company for service tax arising on temporary transfer of copyright services and other matters.  
In connection with the aforementioned matters, on 19 May 2015, the Company received an Order-in-original issued by the Principal Commissioner, Service Tax, wherein the department confirmed the demand of ₹ 15,675 lakhs along with interest and penalty amounting to ₹ 15,675 lakhs resulting into a total demand of ₹ 31,350 lakhs.  
On 3 September 2015, the Company filed an appeal against the said order before the authorities. The Company has paid ₹ 1,000 Lakhs under protest. Considering the facts and nature of levies and the ad-interim protection for the period 1 July 2010 to 30 June 2012 granted by the Honorable High Court of Mumbai, the Company expects that the final outcome of this matter will be favourable. Accordingly, based on the assessment made after taking appropriate legal advice, no additional liability has been recorded in the financial statements.
- Company has received notice for reversal of CENVAT credit for the period 2013-14 to 2015-16 ₹ 187 lakhs and for the period January 2016 to March 2017 ₹ 204 lakhs. Further Company also received notice for Non levy of Service tax on Import of Services for the period 2013-14 to 2015-16 for ₹ 70 Lakhs.
- In addition, the Company is liable to pay service tax on use on temporary transfer of copyright in the period 1 July 2010 to 30 June 2012. The Company filed a writ petition in Mumbai High Court challenging the constitutionality and the legality of this entry and received ad-interim protection and accordingly, no amounts were provided for by the Company for the period 1 April 2011 to 30 June 2012.
- It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.
- From time to time, the 'Company' is involved in legal proceedings arising in the ordinary course of its business, typically intellectual property litigation and infringement claims related to the Company's feature films and other commercial activities, which could cause the Company to incur expenses or prevent the Company from releasing a film. While the resolution of these matters cannot be predicted with certainty, the Company does not believe, based on current knowledge or information available, that any existing legal proceedings or claims are likely to have a material and adverse effect on its financial position, results of operations or cash flows.

## Notes

## to the standalone financial statements and other explanatory information

## 40 Contingent liabilities and commitments (to the extent not provided for) (Contd.)

6) The Company does not expect any reimbursements in respect of the above contingent liabilities.

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>b) Commitments</b>		
Estimated amount of contracts remaining to be executed on content commitments	169,711	157,270
<b>Total (b)</b>	<b>169,711</b>	<b>157,270</b>
<b>Total (a+b)</b>	<b>201,295</b>	<b>188,483</b>

## 41 Employment benefits

## a) Gratuity

The following table set out the status of the gratuity plan as required under Indian Accounting Standard (Ind AS) - 19, Employee benefits, and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
<b>I Change in projected benefit obligation</b>		
Liability at the beginning of the year	389	288
Interest cost	29	23
Current service cost	63	60
Past service cost	104	-
Benefits paid	(21)	(4)
Actuarial loss/(gain) on obligations	(86)	22
Liability at the end of the year	478	389
Current portion	53	38
Non-current portion	425	351
<b>II Recognized in Balance Sheet</b>		
Liability at the end of the year	478	389
<b>Amount recognized in Balance Sheet</b>	<b>478</b>	<b>389</b>
<b>III Expense recognized in Statement of Profit and Loss</b>		
Current service cost	63	60
Interest cost	29	23
Past service cost	104	-
<b>Expense recognized in Statement of Profit and Loss</b>	<b>196</b>	<b>83</b>
<b>IV Expense recognized in Other Comprehensive Income</b>		
Arising from changes in experience	(66)	(4)
Arising from changes in financial assumptions	(20)	26
<b>Expense/(income) recognized in Other comprehensive income</b>	<b>(86)</b>	<b>22</b>
*Actuarial (gain)/loss of ₹ 86 lakhs (31 March 2017: ₹ 22 lakhs) is included in other comprehensive income.		
<b>V Assumptions used</b>		
Discount rate	7.85%	7.52%
Long-term rate of compensation increase	10.00%	10.00%
Attrition Rate	2.00%	2.00%
Expected average remaining working life in years	17 years	18 years

## Notes

### to the standalone financial statements and other explanatory information

#### 41 Employment benefits (Contd.)

##### VI A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Impact on defined benefit obligation</b>		
<b>Projected benefit obligation on current assumption</b>	478	389
Discount rate		
1.00 % increase	(54)	(46)
1.00 % decrease	65	56
<b>Salary growth rate</b>		
1.00 % increase	43	25
1.00 % decrease	(42)	(26)
<b>Employee turnover</b>		
1.00 % increase	(6)	(1)
1.00 % decrease	7	(0)

##### VII Maturity profile of defined benefit obligation

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Year 1	53	38
Year 2	18	7
Year 3	11	18
Year 4	11	11
Year 5	30	10
Sum of Years 6-10	121	108

**VIII Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

**IX Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**X Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds

**XI Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

#### b) Compensated absences

The Company incurred ₹ 29 lakhs (31 March 2017 : ₹ 129 lakhs) towards accrual for compensated absences during the year.

#### c) Provident fund

The Company contributed ₹ 168 lakhs (31 March 2017 : ₹ 181 lakhs) to the provident fund plan, ₹ 5 lakhs (31 March 2017 : ₹ 4 lakhs) to the Employee state insurance plan and ₹ 11 lakhs (31 March 2017 : ₹ 10 lakhs) to the National Pension Scheme during the year.

#### d) Share-based payment transactions

The Company has instituted Employees' Stock Option Plan "ESOP 2009" and "ESOS 2017" under which the stock options have been granted to employees. The scheme was approved by the shareholders at the Extra Ordinary General Meeting held on 4 December 2009 and Annual General Meeting held on 28 September 2017 respectively. The details of activity under the ESOP 2009 scheme are summarized below:

## Notes

## to the standalone financial statements and other explanatory information

## 41 Employment benefits (Contd.)

The expense recognized for employee services received during the year is shown in the following table:

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Expense arising from equity-settled share-based payment transactions	834	1,398

There were no cancellations or modifications to the awards in 31 March 2018 or 31 March 2017.

## Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	As at 31 March 2018		As at 31 March 2017	
	Number	WAEP*	Number	WAEP*
Outstanding at 1 April	2,108,063	36	2,196,215	35
Granted during the year	863,320	10	282,227	10
Forfeited during the year	(234,189)	10	(100,826)	10
Exercised during the year	(1,113,160)	32	(269,553)	10
<b>Outstanding at 31 March</b>	<b>1,624,034</b>	<b>29</b>	<b>2,108,063</b>	<b>36</b>
Exercisable at 31 March	501,122	71	911,854	64
Range of exercise price of outstanding options (₹)		₹ 10-175		₹ 10-175
Weighted average remaining contractual life of option		2.96 Years		4.07 Years

\* WAEP denotes weighted average exercise price of the option

Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Date of grant									
	17-Dec-09	12-Aug-10	1-Jul-12	14-Oct-13	12-Nov-14	12-Feb-15	9-Feb-16	10-Feb-17	14-Nov-17	10-Feb-18
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility	75.00%	60.00%	44.00%	35.00%	40.11%	37.84%	46.46%	48.66%	56.53%	53.15%
Risk free interest rate	6.30%	6.50%	8.36%	8.57%	8.50%	7.74%	7.49%	6.51%	6.90%	7.38%
Exercise price	75-175	75-135	75	150	10	10	10	10	10	10
Expected life of options granted in years	5.25	5.25	5.50	4.50	As per Table 1.1			4.27	3.50	4.50

Table 1.1

Expected life of options granted in years

Option Grant date	9-Feb-16		12-Feb-15		12-Nov-14	
	Old Employees	New Employees	Old Employees	New Employees	Old Employees	New Employees
Year I	3.50	4.50	3.00	3.00	3.50	4.50
Year II	4.50	5.50	3.50	4.00	4.50	5.50
Year III	5.50	6.50	4.00	4.50	5.50	6.50

The expected life of options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may differ from the actual.



## Notes

### to the standalone financial statements and other explanatory information

#### 42 Operating Segment

##### Description of segment and principal activities

The Company acquires, co-produces and distributes Indian films in multiple formats worldwide. Film content is monitored and strategic decisions around the business operations are made based on the film content, whether it is new release or library. Hence, Management identifies only one operating segment in the business, film content. The Company distributes film content to the Indian population in India and worldwide and to non-Indian consumers who view Indian films that are subtitled or dubbed in local languages. As a result of these distribution activities, the management examines the performance of the business from a geographical market perspective.

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Revenue by region of domicile of customer's location</b>		
India	60,084	78,598
United Arab Emirates*	10,382	35,587
Rest of the world	300	433
<b>Total revenue</b>	<b>70,766</b>	<b>114,618</b>

For the year ended 31 March 2018 and 31 March 2017 no third party customers accounted for more than 10% of the entity's total revenues.

\* Sales to United Arab Emirates includes sales to its related party Eros Worldwide FZ LLC.

##### Non-current assets other than financial instruments, investments accounted for using equity method and income taxes

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Non-current assets</b>		
India	220,108	209,584
United Arab Emirates	-	-
Rest of the world	2,558	7,592
<b>Total non-current assets</b>	<b>222,666</b>	<b>217,176</b>

#### 43 Related party disclosures

##### a) Parent entity

Relationship	Name
Ultimate holding company	Eros International PLC
Holding company	Eros Worldwide FZ LLC

##### b) Subsidiaries

Relationship	Name
Subsidiary companies	Eros International Films Private Limited
	Copsale Limited
	Big Screen Entertainment Private Limited
	EyeQube Studios Private Limited
	EM Publishing Private Limited
	Eros Animation Private Limited
	Digicine PTE Limited
	Colour Yellow Productions Private Limited
	Universal Power Systems Private Limited
	Ayngaran International Limited (Isle of Man) (upto 30-09-2017) *
	Ayngaran International UK Limited (upto 30-09-2017) *
	Ayngaran International Mauritius Limited (upto 30-09-2017) *
	Ayngaran International Media Private Limited (upto 30-09-2017) *
	Ayngaran Anak Media Private Limited (upto 30-09-2017) *
	Eros International Distribution LLP

\* The Company has divested five subsidiaries w.e.f. 1 October 2017.

## Notes

### to the standalone financial statements and other explanatory information

#### 43 Related party disclosures (Contd.)

List of Key management personnel (KMP)

Mr. Sunil Arjan Lulla – Executive Vice Chairman and Managing Director

Mr. Kishore Arjan Lulla – Executive Director

Mrs. Jyoti Deshpande – Executive Director

Mr. Vijay Ahuja – Non Executive Director (retired by rotation as on 29 September 2016)

Mr. Dinesh Modi -Group Chief Financial Officer (India) (upto 8 March 2018)

Mr. Farokh P. Gandhi - Chief Financial Officer (w.e.f. 9 March 2018)

Mrs. Dimple Mehta - Vice President Company Secretary and Compliance Officer (upto 14 December 2017)

Mr. Abhishekh Kanoi - Vice President Company Secretary and Compliance Officer (w.e.f. 15 December 2017)

Relatives of KMP with whom transactions exist

Mrs. Manjula K Lulla (wife of Mr. Kishore Arjan Lulla)

Mrs. Krishika Lulla (wife of Mr. Sunil Arjan Lulla)

Entities over which KMP exercise significant influence

Shivam Enterprises

Eros Television India Private Limited

Fellow subsidiary company

Eros Digital Private Limited

Eros International Limited, United Kingdom

Eros Digital FZ LLC

**Notes**

to the standalone financial statements and other explanatory information

**43 Related party disclosures (Contd.)**  
**c (i) Transactions during the year with related parties**

Amount ₹ in lakhs

Particulars	Holding company		Subsidiary		Fellow subsidiary company		Key Management Personnel including transactions with relatives of Key Management Personnel		Entities over which Key Management Personnel exercise significant influence		Total	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
Sale of film rights	10,592	36,895	9	24	-	-	-	-	-	-	10,601	36,919
Revenue attributable to Eros Digital FZ LLC	-	-	-	-	(9,769)	(3,571)	-	-	-	-	(9,769)	(3,571)
Sale of prints/VCD/DVD	6	40	-	-	-	-	-	-	-	-	6	40
Purchase of film rights	-	-	3,939	17,023	-	-	-	-	-	-	3,939	17,023
Re-imbursement of administrative expense	460	494	12	13	6,834	2,090	-	-	-	-	7,306	2,597
Re-imbursement given	-	-	58	196	-	-	-	-	-	-	58	196
Commission expenses	-	-	8	12	-	-	-	-	-	-	8	12
Other Income	-	-	1	179	-	-	-	-	-	-	1	179
Investment in	-	-	180	34	-	-	-	-	-	-	180	34
Rent expenses	-	-	-	-	-	-	552	552	-	-	552	552
Interest income	-	-	27	2	432	41	-	-	-	-	459	43
Interest expenses	-	-	186	-	49	46	-	-	482	24	717	70
Salary, commission and perquisites to KMPs	-	-	-	-	-	-	1,657	916	-	-	1,657	916
Content advances given	-	-	6,201	1,959	7,414	5,268	-	-	-	-	13,615	7,227
Loan and advances given	-	-	4,382	6	-	-	-	-	65	-	4,447	6
Refund of content advances	-	-	-	128	12,603	2,689	-	-	-	-	12,603	2,817
Recovery of loans and advances given	-	-	2,838	1,020	-	-	-	-	62	-	2,900	1,020
Trade advances/ loans taken	3,257	3,460	8,656	5,009	-	-	-	-	610	4,150	12,523	12,619
Repayment of advances/ loans	-	29,924	4,961	4,995	23	10	-	-	5,254	10	10,238	34,939
Refund of deposits	-	-	-	-	-	-	33	26	-	-	33	26

## Notes

## to the standalone financial statements and other explanatory information

## 43 Related party disclosures (Contd.)

## c (ii) Transactions during the year with related parties

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Sale of film rights</b>		
Eros Worldwide FZ LLC	10,592	36,895
EM Publishing Private Limited	-	6
Universal Power Systems Private Limited	9	18
<b>Total</b>	<b>10,601</b>	<b>36,919</b>
<b>Revenue attributable to Eros Digital FZ LLC</b>	<b>(9,769)</b>	<b>(3,571)</b>
<b>Sale of prints/VCD/DVD</b>		
Eros Worldwide FZ LLC	6	40
<b>Total</b>	<b>6</b>	<b>40</b>
<b>Purchase of film rights</b>		
Eros International Films Private Limited	651	15,331
Colour Yellow Productions Private Limited	3,288	1,692
<b>Total</b>	<b>3,939</b>	<b>17,023</b>
<b>Re-imbursement of administrative expense</b>		
Eros Worldwide FZ LLC	460	494
Eros Digital FZ LLC	6,834	2,090
Eros International Films Private Limited	12	12
Big Screen Entertainment Private Limited	0	1
Ayngaran International Media Private Limited	0	0
Ayngaran Anak Media Private Limited	0	0
<b>Total</b>	<b>7,306</b>	<b>2,597</b>
<b>Re-imbursement given</b>		
Eros International Films Private Limited	-	50
Colour Yellow Productions Private Limited	58	146
<b>Total</b>	<b>58</b>	<b>196</b>
<b>Commission expenses</b>		
Universal Power Systems Private Limited	8	12
<b>Total</b>	<b>8</b>	<b>12</b>
<b>Other Income</b>		
Big Screen Entertainment Private Limited	1	179
<b>Total</b>	<b>1</b>	<b>179</b>
<b>Investment in</b>		
Universal Power Systems Private Limited	180	34
<b>Total</b>	<b>180</b>	<b>34</b>
<b>Rent expenses</b>		
Mr. Sunil Arjan Lulla	276	276
Mrs. Manjula K Lulla	36	36
Mr. Kishore Arjan Lulla	240	240
<b>Total</b>	<b>552</b>	<b>552</b>
<b>Interest income</b>		
EyeQube Studios Private Limited	3	2
Eros International Limited	432	41
Universal Power Systems Private Limited	24	-
<b>Total</b>	<b>459</b>	<b>43</b>



## Notes

### to the standalone financial statements and other explanatory information

#### 43 Related party disclosures (Contd.)

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Interest expenses</b>		
Eros Digital Private Limited	49	46
Eros Television India Private Limited	482	24
Eros International Films Private Limited	186	-
<b>Total</b>	<b>717</b>	<b>70</b>
<b>Salary, commission and perquisites* to KMPs</b>		
Mr. Sunil Arjan Lulla	438	463
Mr. Kishore Arjan Lulla	128	116
Mrs. Jyoti Deshpande	714	105
Mrs. Krishika Lulla	86	89
Mr. Dinesh Modi** - Chief Financial Officer (India) (upto 8 March 2018)	220	93
Mr. Farokh P. Gandhi - Chief Financial Officer (w.e.f. 9 March 2018)	5	-
Mrs. Dimple Mehta**	53	50
Mr. Abhishekh Kanoi**	14	-
<b>Total</b>	<b>1,658</b>	<b>916</b>

\* Perquisites to KMP have been valued as per Income tax Act, 1961 and rules framed thereunder or at actuals as the case may be.

\*\* Excludes ₹ 72 lakhs (31 March 2017 : ₹ 66 lakhs) charged to Statement of Profit and loss on account of stock Compensation for awards granted.

#### d) Transactions with related parties

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Content advances given</b>		
Eros International Limited	7,414	5,268
Colour Yellow Productions Private Limited	6,201	1,959
<b>Total</b>	<b>13,615</b>	<b>7,227</b>
<b>Loan and advances given</b>		
Ayngaran International Media Private Limited	8	-
EyeQube Studios Private Limited	3	5
Eros Animation Private Limited	0	1
EM Publishing Private Limited	0	-
Universal Power Systems Private Limited	2,856	-
Copsale Limited	1,516	-
Eros Television India Private Limited	65	-
<b>Total</b>	<b>4,448</b>	<b>6</b>
<b>Refund of content advances</b>		
Eros International Limited	12,603	2,689
Eros International Films Private Limited	-	-
Colour Yellow Productions Private Limited	-	128
<b>Total</b>	<b>12,603</b>	<b>2,817</b>
<b>Recovery of loans and advances given</b>		
EM Publishing Private Limited	-	20
Universal Power Systems Private Limited	2,044	1,000
Ayngaran International Media Private Limited	794	-
Ayngaran Anak Media Private Limited	0	-
Eros Television India Private Limited	62	-
<b>Total</b>	<b>2,900</b>	<b>1,020</b>

## Notes

to the standalone financial statements and other explanatory information

## 43 Related party disclosures (Contd.)

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Trade advances/ loans taken</b>		
Eros Worldwide FZ LLC	3,257	3,460
Eros Television India Private Limited	610	4,150
Eros International Films Private Limited	8,656	4,995
Universal Power Systems Private Limited	-	14
<b>Total</b>	<b>12,523</b>	<b>12,619</b>
<b>Repayment of advances/ loans</b>		
Eros Worldwide FZ LLC	-	29,924
Eros Digital Private Limited	23	10
Big Screen Entertainment Private Limited	22	-
Eros Television India Private Limited	5,254	10
Eros International Films Private Limited	4,939	4,995
<b>Total</b>	<b>10,238</b>	<b>34,939</b>
<b>Refund of deposits</b>		
Mr. Sunil Arjan Lulla	33	26
<b>Total</b>	<b>33</b>	<b>26</b>

## e) Balances with related parties

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Trade balances due from</b>		
Eros Worldwide FZ LLC	6,477	7,128
Eros Digital FZ LLC	2,314	1,461
<b>Total</b>	<b>8,791</b>	<b>8,589</b>
<b>Trade balances due to</b>		
Eros International Limited	102	101
Big Screen Entertainment Private Limited	105	129
Colour Yellow Productions Private Limited	2,271	2,277
Eros International Films Private Limited	-	1,429
Universal Power Systems Private Limited	24	15
Eros Digital FZ LLC	7,267	283
<b>Total</b>	<b>9,769</b>	<b>4,234</b>
<b>Advances due to</b>		
Eros Worldwide FZ LLC	3,452	195
Universal Power Systems Private Limited	5	14
<b>Total</b>	<b>3,457</b>	<b>209</b>
<b>Loans due to</b>		
Eros Digital Private Limited	480	454
Eros Television India Private Limited	-	4,162
Eros International Films Private Limited	5,328	-
<b>Total</b>	<b>5,808</b>	<b>4,616</b>
<b>Content advances given to</b>		
Colour Yellow Productions Private Limited	6,722	3,180
Eros International Limited	-	5,189
<b>Total</b>	<b>6,722</b>	<b>8,369</b>

## Notes

### to the standalone financial statements and other explanatory information

#### 43 Related party disclosures (Contd.)

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Loans and advances due from</b>		
Shivam Enterprises	39	39
EM Publishing Private Limited	20	20
Ayngaran International Media Private Limited	-	787
Digicine Pte Limited	34	34
EyeQube Studios Private Limited	30	24
Universal Power Systems Private Limited	836	-
Eros Animation Private Limited	1	1
Mrs. Krishika Lulla	-	1
Eros Television India Private Limited	3	0
Ayngaran Anak Media Private Limited	-	0
Copsale Limited	1,516	-
Eros International Limited	222	-
<b>Total</b>	<b>2,701</b>	<b>906</b>
<b>Security Deposits/Amounts due from KMPs or their relatives</b>		
Mr. Sunil Arjan Lulla	302	336
Mrs. Manjula K. Lulla	75	75
Mr. Kishore Arjan Lulla	240	240
<b>Total</b>	<b>617</b>	<b>651</b>
<b>Amounts due to KMPs or their relatives</b>		
Mr. Sunil Arjan Lulla	117	121
Mr. Kishore Arjan Lulla	115	43
Mrs. Manjula K. Lulla	42	7
Mrs. Jyoti Deshpande	-	12
<b>Total</b>	<b>274</b>	<b>183</b>

#### 44 Categories of financial assets and financial liabilities

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

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Financial assets</b>		
Measured at fair value through Statement of Profit and Loss		
Investments*	3,460	4,760
<b>Total</b>	<b>3,460</b>	<b>4,760</b>
<b>Measured at amortised cost</b>		
Loans and advances	4,926	3,991
Restricted deposits	4,492	4,472
Other financial assets	966	906
Trade receivables	44,024	26,505
Cash and cash equivalents	385	131
<b>Total</b>	<b>54,793</b>	<b>36,005</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowings	63,562	56,446
Acceptance	5,796	5,795
Trade payables	17,125	10,832
Other financial liabilities	8,521	9,001
<b>Total</b>	<b>95,004</b>	<b>82,074</b>

\*Exclude financial instruments of investment in subsidiaries carried at cost.

## Notes

### to the standalone financial statements and other explanatory information

#### 45 Fair value measurement of financial instruments

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as price) or indirectly (i.e. derived from price)

Level 3: unobservable inputs for the asset or liability

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

Amount ₹ in lakhs

Particulars	As at 31 March 2018	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Measured at fair value through Statement of Profit and Loss				
Investments*	3,460	-	-	3,460
<b>Total</b>	<b>3,460</b>	<b>-</b>	<b>-</b>	<b>3,460</b>

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

Amount ₹ in lakhs

Particulars	As at 31 March 2018	Level 1	Level 2	Level 3
<b>Measured at amortised cost</b>				
<b>Financial assets</b>				
Loans and advances	4,926			
Restricted bank deposits	4,492			
Other financial assets-Non current	672		672	
Other financial assets- Current	294			
Trade receivables	44,024			
Cash and cash equivalents	385			
<b>Total</b>	<b>54,793</b>	<b>-</b>	<b>672</b>	<b>-</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Borrowings-Non current	14,941		14,941	
Borrowings- Current	48,621			
Acceptance	5,796			
Trade payables	17,125			
Other financial liabilities	8,521			
<b>Total</b>	<b>95,004</b>	<b>-</b>	<b>14,941</b>	<b>-</b>

\*Exclude financial instruments of investment in subsidiaries carried at cost.

During the year ended 31 March 2018 there was no transfers between level 2 and level 3 fair value hierarchy.

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities and short term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short term maturities of these financial assets and liabilities

Fair value of the borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows.

Non-listed shares and other securities fall within level 3 of the fair value hierarchy. Valuation is based on the discounted future cash flow method.

Financial instruments with fixed and variable interest rate fall within level 2 of the fair value hierarchy and are evaluated by Company based on parameters such as interest rate, credit rating or assessed credit worthiness.



## Notes

### to the standalone financial statements and other explanatory information

#### 45 Fair value measurement of financial instruments (Continued)

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

Amount ₹ in lakhs

Particulars	As at 31 March 2017	Level 1	Level 2	Level 3
<b>Financial assets</b>				
<b>Measured at fair value through Statement of Profit and Loss</b>				
Investments*	4,760	-	-	4,760
<b>Total</b>	<b>4,760</b>	<b>-</b>	<b>-</b>	<b>4,760</b>

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

Amount ₹ in lakhs

Particulars	As at 31 March 2017	Level 1	Level 2	Level 3
<b>Measured at amortised cost</b>				
Loans and advances	3,991			
Restricted bank deposits	4,472			
Other financial assets- Non current	722		722	
Other financial assets- Current	184			
Trade receivables	26,505			
Cash and cash equivalents	131			
<b>Total</b>	<b>36,005</b>	<b>-</b>	<b>722</b>	<b>-</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Borrowings- Non current	14,912		14,912	
Borrowings- Current	41,534			
Acceptance	5,795			
Trade payables	10,832			
Other financial liabilities	9,001			
<b>Total</b>	<b>82,074</b>	<b>-</b>	<b>14,912</b>	<b>-</b>

\*Exclude financial instruments of investment in subsidiaries carried at cost.

During the year ended 31 March 2017 there was no transfers between level 2 and level 3 fair value hierarchy.

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities and short term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short term maturities of these financial assets and liabilities

Following table shows the reconciliation from the opening balances to the closing balances of the level 3 values:-

Amount ₹ in lakhs

Particulars	
<b>Balance as on 1 April 2016</b>	<b>5,278</b>
Add: Employee stock option compensation expense to employee's of subsidiary	34
Less: Fair value loss recognized through Statement of Profit and Loss	(552)
<b>Balance as on 31 March 2017</b>	<b>4,760</b>
Add: Employee stock option compensation expense to employee's of subsidiary	180
Less: Fair value loss recognized through Statement of Profit and Loss	(1,480)
<b>Balance as on 31 March 2018</b>	<b>3,460</b>

## Notes

### to the standalone financial statements and other explanatory information

#### 45 Fair value measurement of financial instruments (Continued)

Financial asset	Fair value as at (₹ in Lakhs)		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable input to fair value
	31 March 2018	31 March 2017				
Investment in unquoted equity share	Equity share of :- Universal Power Systems Private Limited - ₹ 3,460	Equity share of :- Universal Power Systems Private Limited - ₹ 4,760	Level 3	Income approach - In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefit to be derived from the ownership of these equity instruments.	The significant inputs were:- a) the estimated cash flow; and b) the discount rate to compute the present value of the future expected cash flow.	A 0.5% increase / decrease in the discount rate used would decrease/ increase the fair value of unquoted equity instruments by ₹ 180 lakhs / ₹ 200 lakhs (₹120 lakhs / ₹ 20 lakhs As at 31 March 2017).

#### 46 Financial instruments and Risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in note 44. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated in close cooperation with the board of directors and audit committee meetings.

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

Formal policies and guidelines have been set to achieve these objectives. The Company does not enter into speculative arrangements or trade in financial instruments and it is the Company's policy not to enter into complex financial instruments unless there are specific identified risks for which such instruments help mitigate uncertainties.

##### Management of Capital Risk and Financial Risk

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. Net debt is calculated as borrowing (refer note 19,25,26 and 27) less cash and cash equivalents.

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

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Debt*	76,748	69,547
Less: Cash and cash equivalents	(385)	(131)
<b>Net debt</b>	<b>76,363</b>	<b>69,416</b>
Equity	144,199	135,041
<b>Net debt to equity</b>	<b>52.96%</b>	<b>51.40%</b>

\*exclude's cumulative effect of unamortised cost

##### Financial risk management objectives

Based on the operations of the Company, Management considers that key financial risks that it faces are credit risk, currency risk, liquidity risk and interest rate risk. The objectives under each of these risks are as follows:

- credit risk: minimize the risk of default and concentration.
- currency risk: reduce exposure to foreign exchange movements principally between INR and USD.
- liquidity risk: ensure adequate funding to support working capital and future capital expenditure requirements.
- interest rate risk: mitigate risk of significant change in market rates on the cash flow of issued variable rate debt.

## Notes

### to the standalone financial statements and other explanatory information

#### 46 Financial instruments and Risk management (Contd.)

##### Credit Risk

The Company's credit risk is principally attributable to its trade receivables, loans and bank balances. As a number of the Company's trading activities require third parties to report revenues due to the Company this risk is not limited to the initial agreed sale or advance amounts. The amounts shown within the Balance Sheet in respect of trade receivables and loans are net of allowances for doubtful debts based upon objective evidence that the Company will not be able to collect all amounts due.

Trading credit risk is managed on a customer by customer basis by the use of credit checks on new clients and individual credit limits, where appropriate, together with regular updates on any changes in the trading partner's situation. In a number of cases trading partners will be required to make advance payments or minimum guarantee payments before delivery of any goods. The Company reviews reports received from third parties and in certain cases as a matter of course reserve the right within the contracts it enters into to request an independent third party audit of the revenue reporting.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings as signed by international credit rating agencies.

The Company from time to time will have significant concentration of credit risk in relation to individual theatrical releases, television syndication deals or digital licenses. This risk is mitigated by contractual terms which seek to stagger receipts and/or the release or airing of content. As at 31 March 2018 51% (31 March 2017: 66%) of trade account receivables were represented by the top 5 customer, out of which as at 31 March 2018 15% (31 March 2017: 33%) of trade account receivables were represented by the related parties. The maximum exposure to credit risk is that shown within the statement of financial position.

As at 31 March 2018, the Company did not hold any material collateral or other credit enhancements to cover its credit risks associated with its financial assets, except certain secured debtors as disclosed in note 11.

##### Currency Risk

The Company is exposed to foreign exchange risk from foreign currency transactions. As a result it faces both translation and transaction currency risks 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 to date by seeking to match foreign currency inflows and outflows as much as possible such as packing credit repayment in USD is matched with remittances from UAE in USD. Details of the foreign currency borrowings that the Company uses to mitigate risk are shown within Interest Risk disclosures.

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 (₹) equivalents, as at the year end:

Amount in lakhs

	Net balance receivables / (payables)			
	INR	USD	SGD	GBP
As at 31 March 2018	1,339	25	0	(3)
As at 31 March 2017	8,008	128	0	(3)

The above foreign currency arises when the Company holds monetary assets and liabilities denominated in a currency other than INR.

A uniform decrease of 10% in exchange rates against all foreign currencies in position as of 31 March 2018 would have decreased in the Company's net profit before tax by approximately ₹ 102 lakhs (31 March 2017: loss of ₹ 801 lakhs). An equal and opposite impact would be experienced in the event of an increase by a similar percentage.

##### Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves and agreed committed banking facilities. Management of working capital takes account of film release dates and payment terms agreed with customers.

A maturity analysis for financial liabilities is provided below. The amounts disclosed are based on contractual undiscounted cash flows. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates as at 31 March in each year.

Amount ₹ in lakhs

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
<b>As at 31 March 2018</b>					
Borrowing principal payments	70,952	55,815	11,804	3,333	-
Borrowing interest payments	9,405	6,715	2,416	274	-
Acceptance	5,796	5,796	-	-	-
Trade and other payables	18,156	18,054	102	-	-

## Notes

## to the standalone financial statements and other explanatory information

## 46 Financial instruments and Risk management (Contd.)

Amount ₹ in lakhs

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
<b>As at 31 March 2017</b>					
Borrowing principal payments	63,752	48,682	10,403	4,667	-
Borrowing interest payments	9,877	6,948	2,496	433	-
Acceptance	5,795	5,795	-	-	-
Trade and other payables	12,303	12,201	102	-	-

At 31 March 2018, the Company had facilities available of ₹ 71,354 Lakhs (31 March 2017: ₹ 70,990 Lakhs) and had net undrawn amounts of ₹ 414 Lakhs (31 March 2017: ₹ 1,444 Lakhs) available.

## Interest rate risk

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. A uniform increase of 100 basis in interest rates against all borrowings in position as of 31 March 2018 would have decreased in the Company's net profit before tax by approximately ₹ 317 Lakhs (31 March 2017: net profit before tax of ₹ 213 Lakhs). An equal and opposite impact would be experienced in the event of a decrease by a similar basis.

## 47 Auditors' remuneration

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
<b>As auditor</b>		
Statutory audit	60	115
Limited review	25	44
Tax audit	7	7
	<b>92</b>	<b>166</b>
<b>In other capacity</b>		
Other services (certification fees)	14	9
	<b>14</b>	<b>9</b>
Reimbursement of expenses	10	16
<b>Total</b>	<b>116</b>	<b>191</b>

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

49 As per the provision of the Act, a Corporate Social Responsibility (CSR) committee has been formed by the Company. CSR objects chosen by the Company primarily consist of promoting education, promoting gender equality, empowering women, setting up homes and hostels for women and orphans etc. As per the provisions of the Act, gross amount required to be spent by the Company is ₹ 448 lakh (31 March 2017 : ₹ 427 lakh), of which ₹ 0 lakhs (31 March 2017 : ₹ 10 lakh) have been spent during the current year.

## 50 Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2018 and the date of authorisation of these standalone financial statements.

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No.: 101720W

## For and on behalf of Board of Directors

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No: 103141

Sd/-  
**Sunil Arjan Lulla**  
Executive Vice Chairman and Managing Director  
(DIN: 00243191)

Sd/-  
**Farokh P. Gandhi**  
Chief Financial Officer

Sd/-  
**Sunil Srivastav**  
Non Executive Independent Director  
(DIN: 00237561)

Sd/-  
**Abhishekh Kanoi**  
Vice President - Company Secretary  
and Compliance Officer

Place: Mumbai  
Date : 23 May 2018

Place: Mumbai  
Date : 23 May 2018

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
Eros International Media Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Eros International Media Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at 31 March 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that

the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, of their consolidated Profit including Other Comprehensive Income and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## Other Matters

- (a) We did not audit the financial statements and other financial information, in respect of Five subsidiaries, whose financial statements include total assets of ₹ 1,08,766 Lakhs as at 31 March 2018, and total revenues of ₹ 30,920 Lakhs and net cash inflows of ₹ 590 Lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-Sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.
- (b) Consolidated financial statements include the total revenue of ₹ 1 Lakh for the six months period ended 30 September 2017, in respect of five subsidiaries which have been disposed off during the year. These financial statements are reviewed unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-Sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such reviewed unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

- (c) The comparative financial information of the Group for the year ended 31 March 2017 prepared in accordance with Indian Accounting Standards, included in these consolidated financial statements, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information expressed an unmodified opinion.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act and based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, to the extent applicable, we report that:
  - (a) We and the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief



were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate report in **"Annexure A"** to this report;

- (g) 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, Refer Note 39 to the consolidated financial statements;
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended 31 March 2018.

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

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No. 103141

Mumbai  
Dated : 23 May 2018

# “Annexure A” to Independent Auditors' Report

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

We have audited the Internal Financial Control over financial reporting of Eros International Media Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies which are companies incorporated in India as of 31 March 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year then ended.

### Management's Responsibility for Internal Financial Control

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Chaturvedi & Shah**

Chartered Accountants

Firm Registration No. 101720W

Sd/-

**Amit Chaturvedi**

Partner

Membership No. 103141

Mumbai

Dated : 23 May 2018

# Consolidated Balance Sheet

as at 31 March 2018

Amount ₹ in lakhs

	Notes	As at 31 March 2018	As at 31 March 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant & equipment	2	4,100	4,216
Intangible assets			
a) Content advances	3	151,234	141,611
b) Film rights	3	105,143	120,370
c) Other intangible assets	3	1,590	1,900
d) Intangible assets under development	3	7,079	2,550
e) Goodwill	3	1,283	2,060
Financial assets			
a) Loans	4	11,862	3,533
b) Restricted bank deposits	10	716	217
c) Other financial assets	5	789	864
Other non-current assets	6	4,686	6,159
<b>Total non-current assets</b>		<b>288,482</b>	<b>283,480</b>
<b>Current assets</b>			
Inventories	7	187	46
Financial assets			
a) Investments		0	0
b) Trade and other receivables	8	69,857	63,058
c) Cash & cash equivalents	9	14,230	13,417
d) Restricted bank deposits	10	3,776	4,256
e) Loans and advances	11	1,167	3,013
f) Other financial assets	12	302	187
Other current assets	13	683	125
<b>Total current assets</b>		<b>90,202</b>	<b>84,102</b>
<b>Total assets</b>		<b>378,684</b>	<b>367,582</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	14	9,497	9,385
Other equity	15	214,803	191,521
<b>Equity attributable to owners</b>		<b>224,300</b>	<b>200,906</b>
Non-controlling Interests	16	1,288	(466)
<b>Total equity</b>		<b>225,588</b>	<b>200,440</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
a) Borrowings	17	14,952	14,940
b) Trade payables	18	102	84
c) Other financial liabilities	19	-	1
Employee benefit obligations	20	487	450
Deferred tax liabilities	21	24,501	22,499
Other non-current liabilities	22	1,512	3,016
<b>Total non-current liabilities</b>		<b>41,554</b>	<b>40,990</b>
<b>Current liabilities</b>			
Financial liabilities			
a) Borrowings	23	46,808	43,033
b) Acceptances	24	5,796	5,795
c) Trade payables	25	32,327	29,542
d) Other financial liabilities	26	9,066	10,886
Employee benefit obligations	27	224	218
Current tax liabilities	28	3,684	4,400
Other current liabilities	29	13,637	32,278
<b>Total current liabilities</b>		<b>111,542</b>	<b>126,152</b>
<b>Total liabilities</b>		<b>153,096</b>	<b>167,142</b>
<b>Total equity and liabilities</b>		<b>378,684</b>	<b>367,582</b>

Significant Accounting Policies and Key Accounting Estimates and Judgements

Notes to the Financial Statements

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No.: 101720W

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No: 103141

For and on behalf of Board of Directors

Sd/-  
**Sunil Arjan Lulla**  
Executive Vice Chairman and Managing Director  
(DIN: 00243191)

Sd/-  
**Farokh P. Gandhi**  
Chief Financial Officer

Place: Mumbai  
Date : 23 May 2018

Sd/-  
**Sunil Srivastav**  
Non Executive Independent Director  
(DIN: 00237561)

Sd/-  
**Abhishekh Kanoi**  
Vice President - Company Secretary  
and Compliance Officer

Place: Mumbai  
Date : 23 May 2018

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2018

Amount ₹ in lakhs

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
<b>Revenue</b>			
Revenue from operations	30	96,016	139,970
Other income	31	4,985	4,558
<b>Total revenue</b>		<b>101,001</b>	<b>144,528</b>
<b>Expenses</b>			
Purchases/operating expenses	32	39,927	78,484
Changes in inventories	33	(141)	294
Employee benefit expenses	34	5,894	7,053
Finance costs	35	8,053	5,452
Depreciation and amortization expense	36	1,028	958
Other expenses	37	17,505	20,064
<b>Total expenses</b>		<b>72,266</b>	<b>112,305</b>
<b>Profit before tax</b>		<b>28,735</b>	<b>32,223</b>
<b>Tax expense</b>			
Current tax	21	9,717	7,699
Deferred tax	21	(4,104)	195
		<b>5,613</b>	<b>7,894</b>
<b>Profit for the year</b>		<b>23,122</b>	<b>24,329</b>
<b>Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
Remeasurement gain on defined benefit plan		111	-
Income tax effect		(38)	(8)
<b>(ii) Items that will be reclassified to profit or loss</b>			
Exchange differences on translating foreign operations		(22)	(452)
<b>Total Other Comprehensive Income for the year</b>		<b>51</b>	<b>(460)</b>
<b>Total Comprehensive Income for the year</b>		<b>23,173</b>	<b>23,869</b>
<b>Net Profit attributable to :</b>			
a) Owners of the Company		22,934	25,745
b) Non Controlling Interest		188	(1,416)
<b>Other Comprehensive Income attributable to :</b>			
a) Owners of the Company		273	(932)
b) Non Controlling Interest		(222)	472
<b>Total Comprehensive Income attributable to :</b>			
a) Owners of the Company		23,207	24,813
b) Non Controlling Interest		(34)	(944)
<b>Earnings per share of face value of ₹ 10 each</b>			
1. Basic (in ₹)	38	24.26	27.49
2. Diluted (in ₹)	38	23.92	27.00
Significant Accounting Policies and Key Accounting Estimates and Judgements	1		
Notes to the Financial Statements	2-51		

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No.: 101720W

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No: 103141

Place: Mumbai  
Date : 23 May 2018

For and on behalf of Board of Directors

Sd/-  
**Sunil Arjan Lulla**  
Executive Vice Chairman and Managing Director  
(DIN: 00243191)

Sd/-  
**Farokh P. Gandhi**  
Chief Financial Officer

Place: Mumbai  
Date : 23 May 2018

Sd/-  
**Sunil Srivastav**  
Non Executive Independent Director  
(DIN: 00237561)

Sd/-  
**Abhishekh Kanoi**  
Vice President - Company Secretary  
and Compliance Officer

# Consolidated Statement of Changes in Equity

As at 31 March 2018

A. Equity share capital							Number	Amount ₹ in lakhs	
Balance as at 31 March 2016							93,589,164	9,358	
Add: Issued on exercise of employee share options							269,553	27	
Balance as at 31 March 2017							93,858,717	9,385	
Add: Issued on exercise of employee share options							1,113,160	112	
Balance as at 31 March 2018							94,971,877	9,497	
B. Other equity							Amount ₹ in lakhs		
Particulars	Securities Premium Account	General Reserves and Capital Reserve	Share Options Outstanding	Retained Earnings	Foreign Currency Translation Reserve	Other comprehensive income / (loss) for the year	Total Other Reserve	Non-Controlling Interest	Total Equity
Balance as of 31 March 2016	37,513	564	1,775	118,754	6,592	12	165,210	478	165,688
Profit for the year	-	-	-	25,745	-	-	25,745	(1,416)	24,329
Other comprehensive income / (loss) for the year	-	-	-	-	(924)	(8)	(932)	472	(460)
Total Comprehensive income/ (loss) for the year	-	-	-	25,745	(924)	(8)	24,813	(944)	23,869
Transfer from/to share option outstanding account	628	-	(628)	-	-	-	-	-	-
Employee stock option compensation expense	-	-	1,498	-	-	-	1,498	-	1,498
Balance as of 31 March 2017	38,141	564	2,645	144,499	5,668	4	191,521	(466)	191,055
Profit for the year	-	-	-	22,934	-	-	22,934	188	23,122
Other comprehensive income / (loss) for the year	-	-	-	-	200	73	273	(222)	51
Divestment of subsidiary	-	-	-	-	(1,214)	-	(1,214)	1,788	574
Total Comprehensive income/(loss) for the year	-	-	-	22,934	(1,014)	73	21,993	1,754	23,747
Transfer from/to share option outstanding account	2,110	-	(2,110)	-	-	-	-	-	-
Employee stock options exercised during the year	247	-	-	-	-	-	247	-	247
Employee stock option compensation expense	-	-	1,042	-	-	-	1,042	-	1,042
Balance as at 31 March 2018	40,498	564	1,577	167,433	4,654	77	214,803	1,288	216,091

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No.: 101720W

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No: 103141

Place: Mumbai  
Date : 23 May 2018

For and on behalf of Board of Directors

Sd/-  
**Sunil Arjan Lulla**  
Executive Vice Chairman and Managing Director  
(DIN: 00243191)

Sd/-  
**Farokh P. Gandhi**  
Chief Financial Officer

Place: Mumbai  
Date : 23 May 2018

Sd/-  
**Sunil Srivastav**  
Non Executive Independent Director  
(DIN: 00237561)

Sd/-  
**Abhishekh Kanoi**  
Vice President - Company Secretary  
and Compliance Officer



# Consolidated Cash Flow Statement

For the year ended 31 March 2018

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	28,735	32,223
Non-cash adjustments to reconcile Profit before tax to net cash flows		
Depreciation and Other Amortization	1,028	958
Amortization on film rights	28,838	44,630
Trade receivables written off	5,541	337
Sundry balances written back	(98)	(383)
Content advances written off	228	741
Advances and deposits written off	44	294
Provision for doubtful trade receivables	1,652	3,111
Impact of expected credit loss	(2,490)	(2,246)
Finance costs	8,317	5,660
Finance income	(1,127)	(420)
(Gain)/Loss on sale of tangible assets (net)	(6)	35
Impairment loss on Goodwill	777	70
Expense on employee stock option scheme	1,013	1,433
Unrealised foreign exchange gain	329	1,367
<b>Operating profit before working capital changes</b>	<b>72,781</b>	<b>87,810</b>
Movements in working capital:		
Increase in trade payables	2,340	4,356
Increase/(Decrease) in other financial liabilities	(1,341)	246
Increase in Employee benefit obligations	88	162
(Decrease) in Other liabilities	(10,962)	(41,942)
Decrease in inventories	29	52
Increase in trade receivables	(26,573)	(23,715)
(Increase)/Decrease in short-term loans	(9,648)	1,995
Increase in other current assets	(266)	(27)
(Increase)/Decrease in long-term loans	3,024	(2,713)
(Increase)/Decrease in other financial assets	(961)	306
<b>Cash generated from operations</b>	<b>28,511</b>	<b>26,530</b>
Taxes paid (net)	(4,984)	(3,015)
<b>Net cash generated from operating activities (A)</b>	<b>23,527</b>	<b>23,515</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible assets	(691)	(452)
Purchase of other intangible assets	-	(13)
Purchase of intangible film rights and related content	(19,713)	(60,426)
Proceeds from fixed deposits with banks	68	10,302
Sale of investment in subsidiaries	0	-
Proceeds from sale of fixed assets	22	1
Interest received	923	468
<b>Net cash used in investing activities (B)</b>	<b>(19,391)</b>	<b>(50,120)</b>

# Consolidated Cash Flow Statement

For the year ended 31 March 2018

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares	358	27
Repayment of long-term borrowings	(7,176)	(7,998)
Proceeds from long-term borrowings	7,272	11,074
Proceeds from short-term borrowings	3,911	25,340
Finance costs	(7,663)	(4,625)
<b>Net cash used in financing activities (C)</b>	<b>(3,298)</b>	<b>23,818</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A + B + C)</b>	<b>838</b>	<b>(2,787)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>652</b>	<b>3,342</b>
Effect of exchange rate on consolidation of foreign subsidiaries	3	97
De-recognition on divestment of subsidiaries	(7)	-
<b>Cash and cash equivalents at the end of the year</b>	<b>1,486</b>	<b>652</b>

## Change in liability arising from financing activities :-

	Non current borrowings	Current borrowing	Acceptances	Total
<b>As on 1 April 2017</b>	<b>14,940</b>	<b>50,234</b>	<b>5,795</b>	<b>70,969</b>
Cash Flows	96	3,910	1	4,007
Adjustments	(84)	(119)	-	(203)
<b>As on 31 March 2018</b>	<b>14,952</b>	<b>54,025</b>	<b>5,796</b>	<b>74,773</b>

Notes 1 to 51 form an integral part of these consolidated financial statements

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No.: 101720W

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No: 103141

Place: Mumbai  
Date : 23 May 2018

For and on behalf of Board of Directors

Sd/-  
**Sunil Arjan Lulla**  
Executive Vice Chairman and Managing Director  
(DIN: 00243191)

Sd/-  
**Farokh P. Gandhi**  
Chief Financial Officer

Place: Mumbai  
Date : 23 May 2018

Sd/-  
**Sunil Srivastav**  
Non Executive Independent Director  
(DIN: 00237561)

Sd/-  
**Abhishekh Kanoi**  
Vice President - Company Secretary  
and Compliance Officer

# Summary of Significant Accounting Policies

## 1. Corporate Information and Significant accounting policies

### Corporate Information

Eros International Media Limited (the 'Company' or 'parent') was incorporated in India, under the Companies Act, 1956. The Company and its subsidiaries including step down subsidiaries (hereinafter collectively referred to as the "Group") is a global player within the Indian media and entertainment industry and is primarily engaged in the business of film production, exploitation and distribution. It operates on a vertically integrated studio model controlling content as well as distribution and exploitation across multiple formats globally, including cinema, digital, home entertainment and television syndication. Its shares are listed on leading stock exchanges in India (BSE Scrip Code: 533261; NSE Scrip Code: EROSMEDIA).

The Group is engaged in the business of sourcing Indian film content either through acquisition, co-production or production of such films, and subsequently exploiting and distributing such films in India through music release, theatrical distribution, DVD and VCD release, television licensing and new media distribution avenues such as cable or DTH licensing; and trading and exporting overseas rights to its parent Eros Worldwide FZ LLC.

These consolidated financial statements were authorised for issue in accordance with a resolution passed in the Board of Directors meeting held on 23 May 2018.

### Basis of preparation

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

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

- Employee Stock Option Compensation measured at fair value (refer accounting policy on ESOP).
- Accounting of Business Combinations at fair value (refer accounting policy on Business Combinations).

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

All values are rounded to the nearest rupees in Lacs, except where otherwise indicated. Amount in zero (0) represents amount below One (1) lakh.

### Principles of consolidation

The Group consolidates results of the Company and entities controlled by the Company i.e. its subsidiary undertakings. Control exists when the Company has existing rights that give the Company the current ability to direct the activities which affect the entity's returns; the Company is exposed to or has rights to a return which may vary depending on the entity's performance; and the Company has the ability to use its powers to affect its own returns from its involvement with the entity.

Subsidiaries are consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. The intra-company balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies

in use. Non-controlling interests ("NCI") which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Business combinations are accounted for under the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiaries, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiaries are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Changes in controlling interest in a subsidiary that do not result in gaining or losing control are not business combinations as defined by Ind AS 103 'Business Combinations'. The Group adopts the "equity transaction method" which regards the transaction as a realignment of the interests of the different equity holders in the Group. Under the equity transaction method an increase or decrease in the Group's ownership interest is accounted for as follows:

- the non-controlling component of equity is adjusted to reflect the non-controlling interest revised share of the net carrying value of the subsidiaries net assets;
- the difference between the consideration received or paid and the adjustment to non-controlling interests is debited or credited to equity;
- no adjustment is made to the carrying amount of goodwill or the subsidiaries' net assets as reported in the consolidated financial statements; and
- no gain or loss is reported in the Consolidated Statement of Profit and Loss.

### Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Assessment of whether the Group has significant influence or not is made based on Ind AS 28 – Associates and joint ventures, which requires duly considering potential voting rights if any. Investments in associates are accounted for using the equity method, after initially recognized at cost.

### Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has investments in joint ventures which are accounted using the equity method based on requirements of Ind AS 111 – Joint arrangements, after initially being recognized at cost in the consolidated balance sheet.

### Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognise the Group's

share of the post-acquisition profits or losses of the investee in Statement of Profit and Loss, and the Group's share of Other Comprehensive Income of the investee in Other Comprehensive Income.

Any excess/short of the amount of investments in associate or joint venture over the Group's portion of in net assets of associate or joint venture, at the date of investments is considered as goodwill/capital reserve.

Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of joint ventures and associates are similar to the Group's accounting policies, therefore, no adjustment is required for the purposes of preparation of these consolidated financial statements. The financial statements of joint ventures and associates are prepared up to the same reporting date as that of the Group i.e. 31 March 2018. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in accounting policies below.

### Significant accounting policies

#### a. Revenue recognition

Revenue is recognized, net of sales related taxes, when persuasive evidence of an arrangement exists, the fees are fixed or determinable, the product is delivered or services have been rendered and collectability is reasonably assured. The Group considers the terms of each arrangement to determine the appropriate accounting treatment.

The following additional criteria apply in respect of various revenue streams within filmed entertainment:

**Theatrical** — Contracted minimum guarantees are recognized on the theatrical release date. The Group's share of box office receipts in excess of the minimum guarantee is recognized at the point they are notified to the Group.

**Television** — License fees received in advance which do not meet all the above criteria are included in deferred income until the above criteria is met.

**Other** — DVD, CD and video distribution revenue is recognized on the date the product is delivered or if licensed in line with the above criteria. Provision is made for physical returns where applicable. Digital and ancillary media revenues are recognized at the earlier of when the content is accessed or declared. Visual effects, production and other fees for services rendered by the Group and overhead recharges are recognized in the period in which they are earned and in certain cases, the stage of production is used to determine the proportion recognized in the period.

#### Other income

Dividend income is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

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

#### b. Property, plant and equipment and depreciation

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

The cost of Property, Plant and Equipment comprises of its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and borrowing costs for assets that necessarily take a substantial period of time to get ready for their intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Capital Work-in-progress (CWIP) includes expenditure that is directly attributable to the acquisition/construction of assets, which are yet to be commissioned.

Depreciation is provided under written down value method at the rates and in the manner prescribed under Schedule II to the Companies Act, 2013.

#### c. Intangible assets

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

Investments in films and associated rights, including acquired rights and distribution advances in respect of completed films, are stated at cost less amortization less provision for impairment. Costs include production costs, overhead and capitalized interest costs net of any amounts received from third party investors. A charge is made to write down the cost of completed rights over the estimated useful lives, writing off more in year one which recognizes initial income flows and then the balance over a period of up to nine years, except where the asset is not yet available for exploitation. The average life of the assets is the lesser of 10 years or the remaining life of the content rights. The amortization charge is recognized in the consolidated Statement of Profit and Loss within film right costs including amortization costs. The determination of useful life is based upon Management's judgment and includes assumptions on the timing and future estimated revenues to be generated by these assets.

Intangible assets comprising film scripts and related costs are stated at cost less amortization less provision for impairment. The script costs are amortized over a period of 3 years on a straight-line basis and the amortization charge is recognized in the consolidated Statement of Profit and Loss within film right costs including amortization costs. The determination of useful life is based upon Management's estimate of the period over which the Group explores the possibility of making films using the script.

Other intangible assets, which comprise internally generated and acquired software used within the Entity's digital, home entertainment and internal accounting activities, are stated at cost less amortization less provision for impairment. A charge is made to write down the cost of completed rights over the estimated useful lives except where the asset is not yet available for exploitation. The average life of the assets is the lesser of 3 years or the remaining life of the asset. The amortization charge is recognized in the consolidated Statement of Profit and Loss within depreciation and amortization expenses.

Goodwill represents excess of the consideration transferred in a business combination over the fair value of the Group's

share of the identifiable net assets acquired. Goodwill is carried at cost less accumulated impairment losses. Gain on bargain purchase is recognized immediately after acquisition in the consolidated Statement of Profit and Loss.

#### **d. Impairment of non-financial assets**

At each reporting date, for the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at the cash generating unit level. Goodwill is allocated to those cash generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Goodwill is tested for impairment at least annually. All other individual assets or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'value in use'. Impairment losses recognized for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit.

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

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

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist.

#### **e. Borrowing costs**

The Group is capitalising borrowing costs that are directly attributable to the acquisition or construction of qualifying assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

#### **f. Impairment of financial assets**

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

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on risk exposure arising from financial assets like debt instruments measured at amortised cost e.g., trade receivables and deposits.

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

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

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

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

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

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

#### **g. Inventories**

Inventories primarily comprise of music CDs and DVDs, and are valued at the lower of cost and net realizable value. Cost in respect of goods for resale is defined as all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost in respect of raw materials is purchase price.

Purchase price is assigned using a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



#### **h. Provisions, Contingent Liabilities and Contingent Assets**

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

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

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

#### **i. Employee benefits**

##### **Short term employee benefits obligations**

Short-term employee benefits are recognized as an expense in the consolidated Statement of Profit and Loss for the year in which related services are rendered.

##### **Post-employment benefits and other long term employee benefits**

###### **Defined contribution plan**

Provident fund and National Pension scheme: The Group's contributions paid or payable during the year to the provident fund, employee's state insurance corporation and National pension scheme are recognized in the consolidated Statement of Profit and Loss. This fund is administered by the respective Government authorities, and the Group has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

###### **Defined benefit plan**

Gratuity: The Group's liability towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an 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 are recognized immediately in the Other Comprehensive Income as income or expense and are not reclassified to the consolidated Statement of Profit and Loss in subsequent periods. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the consolidated balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Compensated absences: Accumulated compensated absences are expected to be availed or encashed within 12 months from the end of the year and are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

###### **Employee stock option plan**

In accordance with Ind AS 102 'Share Based Payments', the fair value of shares or options granted is recognized as

personnel costs with a corresponding increase in equity. The fair value is measured at the grant date and spread over the period during which the recipient becomes unconditionally entitled to payment unless forfeited or surrendered.

The fair value of share options granted is measured using the Black Scholes model, each taking into account the terms and conditions upon which the grants are made. At each consolidated balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of non-market based vesting conditions. The amount recognized as an expense is adjusted to reflect the revised estimate of the number of equity instruments that are expected to become exercisable, with a corresponding adjustment to equity. The Group's share option plan does not feature any cash settlement option.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares are allocated to equity with any excess being recorded as securities premium.

#### **j. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. Leases in which significantly all the risks and rewards incidental to ownership are transferred to the lessee are classified as finance leases. All other leases are operating leases. Payments under operating leases are charged to the consolidated Statement of Profit and Loss on a straight-line basis over the period of the lease.

##### **As a lessee**

###### **Finance lease**

Leases are classified as finance leases (including those for land), if substantially all the risks and rewards incidental to ownership of the leased asset is transferred to the lessee.

At the commencement of the lease term, the Group recognises finance leases as assets and liabilities in its consolidated balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Any indirect costs of the Group are added to the amount recognized as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

###### **Operating lease**

Leases (including those for land) which are not classified as finance leases are considered as operating lease. Lease payments under an operating lease are recognized as an expense on a straight-line basis over the lease term unless either:

- A. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- B. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If

payments to the lessor vary because of factors other than general inflation, then this condition is not met.

#### As a lessor

##### Finance lease

All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts are adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment.

##### Operating lease

Lease income from operating lease (excluding amount for services such as insurance and maintenance) is recognized in the consolidated Statement of Profit and Loss on a straight-line basis over the lease term, unless either:

- A. Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the Group are not on that basis; or
- B. The payments to the Group are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases. If payments to the Group vary because of factors other than general inflation, then this condition is not met.

#### k. Foreign currency transactions

Transactions in foreign currencies are translated at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated at the prevailing rates of exchange at the consolidated balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognized in the consolidated Statement of Profit and Loss in the period in which they arise. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The assets and liabilities in the financial statements of foreign subsidiaries are translated at the prevailing rate of exchange at the consolidated balance sheet date. Income and expenses are translated at the annual average exchange rate. The exchange differences arising from the retranslation of the foreign operations are recognized in Other Comprehensive Income and taken to the "currency translation reserve" in equity.

On disposal of a foreign operation the cumulative translation differences (including, if applicable, gains and losses on related hedges) are transferred to the Consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

Items included in the Consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated financial statements are presented in Indian Rupee (₹) which is Company's functional and presentation currency.

#### l. Financial instrument

##### Non-derivative financial instruments

Financial assets and financial liabilities are recognized when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities (other than financial assets and liabilities at fair value through Statement of Profit and Loss) 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 fair value through Statement of Profit and Loss are recognized immediately in the consolidated Statement of Profit and Loss. Financial assets and financial liabilities are offset against each other and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

A financial instrument is measured at fair value through profit or loss if:

- it has been acquired principally for the purpose of selling/repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent pattern of short term profit taking; or
- it is a derivative that is not designated in a hedging relationship.

The fair value of financial instruments denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore for financial instruments that are classified as fair value through Statement of Profit and Loss, the exchange component is recognized in Statement of Profit and Loss.

##### Financial Assets

Financial assets are divided into the following categories:

- financial assets carried at amortised cost
- financial assets at fair value through Other Comprehensive Income
- financial assets at fair value through Statement Profit and Loss;

Financial assets are assigned to the different categories by management on initial recognition, depending on the nature and purpose of the financial assets. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

##### Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These are non-derivative financial assets that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank and cash

balances) are measured subsequent to initial recognition at amortized cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognized in the consolidated Statement of Profit and Loss.

In accordance with Ind AS 109 "Financial Instruments", the Group recognizes impairment loss allowance on trade receivables and contract advances based on historically observed default rates. Impairment loss allowance recognized during the year is charged to consolidated Statement of Profit and Loss.

#### **Financial assets at fair value through Other Comprehensive Income**

Financial assets at fair value through Other Comprehensive Income are non-derivative financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. It includes non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. Gains and losses arising from investments classified under this category is recognized in the consolidated Statement of Profit and Loss when they are sold or when the investment is impaired.

In the case of impairment, any loss previously recognized in Other Comprehensive Income is transferred to the consolidated Statement of Profit and Loss. Impairment losses recognized in the consolidated Statement of Profit and Loss on equity instruments are not reversed through the consolidated Statement of Profit and Loss. Impairment losses recognized previously on debt securities are reversed through the consolidated Statement of Profit and Loss when the increase can be related objectively to an event occurring after the impairment loss was recognized in the consolidated Statement of Profit and Loss.

When the Group considers that fair value of financial assets can be reliably measured, the fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group applies its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each consolidated balance sheet date. Equity instruments measured at fair value through profit or loss that do not have a quoted price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment at the end of each reporting period.

An assessment for impairment is undertaken at least at each consolidated balance sheet date.

A financial asset is derecognized only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

#### **Financial liabilities**

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

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading such as a derivative, except for a designated and effective hedging instrument, or if upon initial recognition it is thus designated to eliminate or significantly reduce measurement or recognition inconsistency or it forms part of a contract containing one or more embedded derivatives and the contract is designated as fair value through profit or loss.

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

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

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

A financial liability is derecognized only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires. Changes in fair value of liabilities are included in the consolidated Statement of Profit and Loss.

#### **m. Taxes**

Taxation on profit and loss comprises current tax and deferred tax. Tax is recognized in the consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or Other Comprehensive Income in which case tax impact is also recognized in equity or Other Comprehensive Income.

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

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

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities

simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax in respect of undistributed earnings of subsidiaries is recognized except where the Group is able to control the timing of the reversal of the temporary difference and the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilized.

Minimum alternate tax (MAT) paid in a year is charged to the Consolidated Statement of Profit and Loss as current tax. MAT credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period, which is the period for which MAT credit is allowed to be carried forward. Such asset is reviewed at each consolidated 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 Group will pay normal income tax during the specified period.

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

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

Basic EPS is computed by dividing net profit after taxes for the year by weighted average number of equity shares outstanding during the financial year, adjusted for bonus share elements in equity shares issued during the year and excluding treasury shares, if any.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**o. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments which are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the consolidated balance sheet. Deposits held with banks as security for overdraft facilities are included in restricted deposits held with bank.

**p. Segment reporting**

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

The Group has identified three geographic markets: India, United Arab Emirates and Rest of the world.

**q. Statement of cash flows**

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

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

**r. Dividends**

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

**s. Event occurring after the reporting date**

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

**t. Standards Issued but not yet Effective**

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on 28 March 2018) which are effective for annual periods beginning after 1 April 2018. The Group intends to adopt these standards or amendments from the effective date.

**Ind AS 115 Revenue from contract with customers**

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The core principle of the new standard that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This Standard permits two possible methods of transition i.e. retrospective approach and modified retrospective method.

Based on the preliminary assessment, the Group does not expect any significant impacts on transition to Ind AS 115. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options to be considered.



### Amendments to existing Ind AS

The following amended standards are not expected to have a significant impact on the Group's consolidated financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group when it will adopt the respective standards.

Ind AS 40 - Investment Property – The amendment lays down the principle regarding the transfer of asset to, or from, investment property.

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates – The amendment lays down principles to determine the date of transaction when a Group recognizes a non-monetary prepayment asset or deferred income liability.

Ind AS 12 – Income Taxes – The amendments explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps.

Ind AS 28 – Investments in associates and joint ventures – The amendments clarifies that a venture capital organization or a mutual fund or similar entities may elect, at initial recognition, to measure investments in associate or joint venture at fair value through profit or loss separately for each associate or joint venture.

Ind AS 112 – Disclosure of interest in other entities – The amendments clarifies that disclosure requirements also apply to interests that are classified as held for sale or as discontinued operations in accordance with Ind AS 105 – Non-current assets held for sale and discontinued operations.

### Significant accounting judgements, estimates and assumptions

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

#### a. Intangible assets

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

Accounting for the film content requires management's judgment as it relates to total revenues to be received and costs to be incurred throughout the life of each film or its license period, whichever is the shorter. These judgments are used to determine the amortization of capitalized film content costs. The Group uses a stepped method of amortization on first release film content writing off more in year one which recognizes initial income flows and then the balance over a

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

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

#### b. Employee benefit plans

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future.

#### c. Fair value measurement of Employee shares based compensation plan

The fair value of ESOP liability is determined using valuation methods which involves making various assumptions that may differ from actual developments in the future.

#### d. Impairment of non-financial assets

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

#### e. Provisions

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

#### f. Fair value measurement

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



## Notes

### to the consolidated financial statements and other explanatory information

#### 2 Property, plant and equipment

Details of the Company's property, plant and equipment and their carrying amounts are as follows:

Amount ₹ in lakhs

Gross carrying amount	Buildings	Leasehold improvements	Furniture and fixtures	Motor vehicles	Office equipment	Data processing equipment	Studio equipment	Total
<b>Balance as at 1 April 2016</b>	<b>4,108</b>	<b>-</b>	<b>753</b>	<b>693</b>	<b>352</b>	<b>1,787</b>	<b>1,631</b>	<b>9,324</b>
Additions	-	258	119	175	121	176	-	849
Adjustments/ disposals	-	-	(77)	(11)	(76)	(327)	-	(491)
Foreign currency translation difference	-	-	(1)	-	(10)	(1)	-	(12)
<b>Balance as at 31 March 2017</b>	<b>4,108</b>	<b>258</b>	<b>794</b>	<b>857</b>	<b>387</b>	<b>1,635</b>	<b>1,631</b>	<b>9,670</b>
Additions	-	253	13	272	26	81	-	645
Adjustments/ disposals	-	-	(53)	(292)	(79)	(54)	(10)	(488)
Foreign currency translation difference	-	-	(1)	-	(5)	(1)	-	(7)
<b>Balance as at 31 March 2018</b>	<b>4,108</b>	<b>511</b>	<b>753</b>	<b>837</b>	<b>329</b>	<b>1,661</b>	<b>1,621</b>	<b>9,820</b>
<b>Accumulated depreciation</b>								
Balance as at 1 April 2016	952	-	623	430	302	1,557	1,430	5,294
Depreciation charge	153	33	62	111	46	173	63	641
Adjustments/ disposals	-	-	(59)	(11)	(68)	(317)	-	(455)
Foreign currency translation difference	-	-	(1)	-	(11)	(1)	-	(13)
<b>Balance as at 31 March 2017</b>	<b>1,105</b>	<b>33</b>	<b>625</b>	<b>530</b>	<b>269</b>	<b>1,412</b>	<b>1,493</b>	<b>5,467</b>
Depreciation charge	146	178	54	112	61	125	42	718
Adjustments/ disposals	-	-	(50)	(261)	(79)	(52)	(9)	(451)
Foreign currency translation difference	-	-	(1)	-	(5)	-	-	(6)
<b>Balance as at 31 March 2018</b>	<b>1,251</b>	<b>211</b>	<b>628</b>	<b>381</b>	<b>246</b>	<b>1,485</b>	<b>1,526</b>	<b>5,728</b>
<b>Net carrying amount</b>								
<b>Capital-work-in progress 31 March 2017</b>								<b>13</b>
<b>Capital-work-in progress 31 March 2018</b>								<b>8</b>
Balance as at 31 March 2017	3,003	225	169	327	118	223	138	4,216
<b>Balance as at 31 March 2018</b>	<b>2,857</b>	<b>300</b>	<b>125</b>	<b>456</b>	<b>83</b>	<b>176</b>	<b>95</b>	<b>4,100</b>

The Company's immovable property situated in Mumbai, India is pledged against the borrowings as explained in note 17 and 23.

#### 3. a) Intangible assets

Details of the Group's Intangible assets and their carrying amounts are as follows:

Amount ₹ in lakhs

Gross carrying amount	Content advances	Film rights	Other intangible assets	Total
<b>Balance as at 1 April 2016</b>	<b>130,448</b>	<b>474,701</b>	<b>2,654</b>	<b>477,355</b>
Additions	81,222	47,457	13	47,470
Adjustments/ Deletion	(69,327)	(3,962)	-	(3,962)
Amount written off	(732)	-	-	-
Foreign currency translation difference	-	(5,706)	(2)	(5,708)
<b>Balance as at 31 March 2017</b>	<b>141,611</b>	<b>512,490</b>	<b>2,665</b>	<b>515,155</b>
Additions	34,863	20,550	-	20,550
Adjustments/ Deletion	(25,549)	(53,487)	-	(53,487)
Amount written off	228	-	-	-
Foreign currency translation difference	81	2,206	-	2,206
<b>Balance as at 31 March 2018</b>	<b>151,234</b>	<b>481,759</b>	<b>2,665</b>	<b>484,424</b>

## Notes

### to the consolidated financial statements and other explanatory information

Accumulated amortization	Content advances	Film rights	Other intangible assets	Total
<b>Balance as at 1 April 2016</b>	-	352,596	448	353,044
Amortization charge	-	44,630	317	44,947
Foreign currency translation difference	-	(5,106)	-	(5,106)
<b>Balance as at 31 March 2017</b>	-	<b>392,120</b>	<b>765</b>	<b>392,885</b>
Amortization charge	-	28,838	310	29,148
Adjustments/ Deletion	-	(50,409)	-	(50,409)
Foreign currency translation difference	-	6,067	-	6,067
<b>Balance as at 31 March 2018</b>		<b>376,616</b>	<b>1,075</b>	<b>377,691</b>

Net carrying amount	Content advances	Film rights	Other intangible assets	Total
Balance as at 31 March 2017	141,611	120,370	1,900	122,270
<b>Balance as at 31 March 2018</b>	<b>151,234</b>	<b>105,143</b>	<b>1,590</b>	<b>106,733</b>

Intangible assets under development				
Balance as at 31 March 2017	2,550			
<b>Balance as at 31 March 2018</b>	<b>7,079</b>			

### 3 b) Goodwill on consolidation

On 1 August 2015, Company acquired 100% of the shares and voting interests in Universal Power Systems Private Limited ("Techzone"). The following table summarizes the details of acquisition-

	Amount ₹ in lakhs
a. Assets acquired	7,765
b. Liabilities acquired	4,615
<b>c. Net Assets Acquired (a-b)</b>	<b>3,150</b>
d. Purchase Consideration paid	5,280
<b>e. Goodwill on Consolidation as at 31 March 2016 (d-c)</b>	<b>2,130</b>
f. Impairment loss	(70)
<b>G. Goodwill on Consolidation as at 31 March 2017 (e-f)</b>	<b>2,060</b>
h. Impairment loss	(777)
<b>I. Goodwill on Consolidation as at 31 March 2018 (g-h)</b>	<b>1,283</b>

The Group tests annually whether goodwill has suffered impairment, in accordance with its accounting policy. The recoverable amount of cash-generating units has been determined based on value in use calculations. We use market related information and estimates (generally risk adjusted discounted cash flows) to determine value in use. Cash flow projections take into account past experience and represent management's best estimate about future developments. Key assumptions on which management has based its determination of fair value less costs to sell and value in use includes estimated growth rates, weighted average cost of capital and tax rates.

As at 31 March 2018, for assessing impairment of goodwill, value in use is determined using discounted cash flow method. The estimated cash flows for a period of four years were developed using internal forecasts, extrapolated for the fifth year, and a pre-tax discount rate of 15% and terminal growth rate of 5%. These estimates, includes the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill.

### 4 Loans

	As at 31 March 2018	As at 31 March 2017
Unsecured considered good, unless otherwise stated		
Amounts due from related parties (refer note 43)	10,180	57
Considered good	1,682	3,476
Considered doubtful	-	186
Less: Allowances for doubtful loans	-	(186)
<b>Total</b>	<b>11,862</b>	<b>3,533</b>

## Notes

### to the consolidated financial statements and other explanatory information

#### 5 Other financial assets

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Security deposits</b>		
Security deposits- related parties (refer note 43)	617	652
Security deposits- others	172	212
<b>Total</b>	<b>789</b>	<b>864</b>

#### 6 Other non- current assets

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Advance payment of taxes (net of provision)	819	992
Balances due with statutory authorities	3,867	5,167
<b>Total</b>	<b>4,686</b>	<b>6,159</b>

#### 7 Inventory

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
VCD/ DVD/ Audio CDs	9	38
Film rights	178	8
<b>Total</b>	<b>187</b>	<b>46</b>

#### 8 Trade and other receivables

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Secured, considered good	1,327	1,771
Unsecured, considered good	58,820	50,330
Unsecured, considered doubtful	5,188	6,114
Less : Provision for doubtful debts	(5,188)	(6,114)
<b>Others</b>		
Dues from related parties (refer note 43)	<b>9,136</b>	<b>10,039</b>
Accrued Income	574	918
<b>Total</b>	<b>69,857</b>	<b>63,058</b>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

#### 9 Cash and cash equivalents

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Balances with banks		
-In current accounts	1,454	601
-Cheques, drafts on hand	5	20
-Deposits with maturity of less than three months	-	1
Cash on hand	27	30
	<b>1,486</b>	<b>652</b>
Other Bank Balances		
-Deposits with maturity of more than 3 months but less than 12 months	12,744	12,765
<b>Total</b>	<b>14,230</b>	<b>13,417</b>

## Notes

### to the consolidated financial statements and other explanatory information

#### 10 Restricted bank deposits

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Unclaimed dividend account	1	1
Deposits with maturity of less than 12 months	-	1,353
Margin money deposit- less than 12 Months	3,775	2,902
Deposits with maturity more than 12 months	716	217
<b>Total</b>	<b>4,492</b>	<b>4,473</b>
Less: Disclosed under non current financial assets - Restricted Bank deposits	(716)	(217)
<b>Total</b>	<b>3,776</b>	<b>4,256</b>

#### 11 Loans

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Unsecured considered good, unless otherwise stated		
Amounts due from related parties (refer note 43)	335	-
Loans and advances to employees	159	197
Other loans	637	2,800
Security deposits	36	16
<b>Total</b>	<b>1,167</b>	<b>3,013</b>

#### 12 Other financial assets

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Interest accrued	114	187
Forward contract assets	188	-
<b>Total</b>	<b>302</b>	<b>187</b>

#### 13 Other current assets

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Prepaid-expenses	56	110
Others	627	15
<b>Total</b>	<b>683</b>	<b>125</b>

#### 14 Share capital

₹ in lakhs, except share data

	As at 31 March 2018		As at 31 March 2017	
	Number	Amounts	Number	Amounts
<b>Authorised share capital</b>				
Equity shares of ₹10 each	125,000,000	12,500	125,000,000	12,500
	<b>125,000,000</b>	<b>12,500</b>	<b>125,000,000</b>	<b>12,500</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	94,971,877	9,497	93,858,717	9,385
<b>Total</b>	<b>94,971,877</b>	<b>9,497</b>	<b>93,858,717</b>	<b>9,385</b>

## Notes

### to the consolidated financial statements and other explanatory information

#### 14 Share capital (Contd.)

##### a) Reconciliation of paid up share capital (Equity Shares)

₹ in lakhs, except share data

	As at 31 March 2018		As at 31 March 2017	
	Number	Amounts	Number	Amounts
Balance at the beginning of the year	93,858,717	9,385	93,589,164	9,358
Add: Shares issued during the year	1,113,160	112	269,553	27
<b>Balance at the end of the year</b>	<b>94,971,877</b>	<b>9,497</b>	<b>93,858,717</b>	<b>9,385</b>

During the year, the Company has issued total 1,113,160 equity shares (31 March 2017: 269,553) on exercise of options granted under the employees stock option plan (ESOP) wherein part consideration was received in the form of employees services.

##### b) Shares held by holding company, ultimate holding company, subsidiaries / associates of holding company or ultimate holding company

₹ in lakhs, except share data

	As at 31 March 2018		As at 31 March 2017	
	Number	Amounts	Number	Amounts
Equity shares of ₹ 10 each				
Eros Worldwide FZ LLC - the Holding Company	35,409,440	3,541	47,126,290	4,713
Eros Digital Private Limited - fellow subsidiary	21,700,000	2,170	21,700,000	2,170

##### c) Details of Shareholders holding more than 5% of the shares

	As at 31 March 2018		As at 31 March 2017	
	Number	% Holding in the class	Number	% Holding in the class
Equity shares of ₹ 10 each				
Eros Worldwide FZ LLC - the Holding Company	35,409,440	37.28%	47,126,290	50.21%
Eros Digital Private Limited - fellow subsidiary	21,700,000	22.85%	21,700,000	23.12%

##### d) Details of employee stock options issued during the last 5 years

During the period of five years immediately preceding the reporting date, the Company has issued total 2,149,567 equity shares (31 March 2017: 1,220,890) on exercise of options granted under the employees stock option plan (ESOP) wherein part consideration was received in the form of employee services.

##### e) Details of equity share issued for consideration other than cash during the last 5 years

During the period of five years immediately preceding the reporting date, the Company has issued total 900,970 equity shares (31 March 2017: 900,970) to the shareholders of Universal Power Systems Private Limited at a premium of ₹ 586 per share in exchange for the entire shareholding of Universal Power Systems Private Limited.

##### f) Rights, preferences, restrictions of Equity Shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Every holder is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors and approved by the Shareholders in the Annual General Meeting is paid in Indian rupees.

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



## Notes

### to the consolidated financial statements and other explanatory information

#### 15 Other equity

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Securities premium</b>		
Balance at the beginning of the year	38,141	37,513
Add : Additions for employee stock options exercised during the year	247	-
Add : Transfer from share option outstanding account	2,110	628
<b>Balance at the end of the year</b>	<b>40,498</b>	<b>38,141</b>
<b>Share options outstanding account</b>		
Balance at the beginning of the year	2,645	1,775
Less: Transfer to securities premium account	(2,110)	(628)
Add: Employee stock option compensation expense	862	1,464
Add: Employee stock option compensation expense to employee's of subsidiary	180	34
<b>Balance at the end of the year</b>	<b>1,577</b>	<b>2,645</b>
<b>Capital reserves</b>		
As per last year balance sheet	56	56
<b>General reserves</b>		
As per last year balance sheet	<b>508</b>	<b>508</b>
<b>Surplus from Statement of Profit &amp; Loss</b>		
Balance at the beginning of the year	144,499	118,754
Add : Profit for the year	22,934	25,745
<b>Balance at the end of the year</b>	<b>167,433</b>	<b>144,499</b>
<b>Other comprehensive income</b>		
<b>a) Foreign currency translation reserve</b>		
<b>Balance at the beginning of the year</b>	<b>5,668</b>	<b>6,592</b>
Movement during the year	(22)	(452)
Share of Non Controlling shareholders	222	(472)
Divestment of subsidiary	(1,214)	-
<b>Balance at the ending of the year</b>	<b>4,654</b>	<b>5,668</b>
<b>b) Remeasurement gain on defined benefit plan</b>	<b>77</b>	<b>4</b>
<b>Total</b>	<b>214,803</b>	<b>191,521</b>

#### Nature and Purpose of Reserves:-

**Securities Premium Reserve:** The amount received in excess of face value of the equity shares is recognized in Securities Premium Reserve.

**General Reserve:** General Reserve was created by transferring a portion of the net profit of the Company as per the requirements of the Companies Act, 1956.

**Capital Reserve:** Capital Reserve is used from pre-acquisition profit of subsidiaries.

**General Reserve :** The General Reserve is used from time to time to transfer profit from retained earning for appropriation purpose.

**Foreign Currency Translation Reserve :** Exchange Fluctuation Reserve represents the unrealised gains and losses on account of translation of foreign subsidiaries into the reporting currency.

## Notes

### to the consolidated financial statements and other explanatory information

#### 16 Non- controlling interest

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Balance at beginning of the year</b>		
Opening balance	(466)	478
Profit/(loss) for the year	188	(1,416)
Share in Foreign Currency Translation reserve	(222)	472
Divestment of subsidiary	1,788	-
<b>Balance at end of year</b>	<b>1,288</b>	<b>(466)</b>

#### 17 Borrowings

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>a) Term Loans</b>		
<b>Secured</b>		
Term loan from banks*	15,761	22,088
Car loans#	364	211
<b>Unsecured</b>		
Term loan from others**	6,240	-
	<b>22,365</b>	<b>22,299</b>
Less: Cumulative effect of unamortised cost	(196)	(158)
Less: Current maturities disclosed under other current financial liabilities (refer note 26)	(7,217)	(7,201)
<b>Total</b>	<b>14,952</b>	<b>14,940</b>

\* Term loans from banks carry an interest rate between 12% - 14% are secured by pari passu first charge on the DVD/ satellite rights acquired for the domestic market, actionable claims, revenue and receivables arising on sales of the rights and negatives of films. Term loans are further secured by equitable mortgage of Company's immovable properties situated at Mumbai (India), amounts held as margin money, corporate guarantee of Eros International PLC (the ultimate holding company), residual value of equipments and vehicles and existing rights of hindi films with nil book value.

# Car loans are secured by hypothecation of vehicles acquired there against, carrying rate of interest of 7.48% - 9.50% which are repayable as per maturity profile set out below.

\*\* Term loan from others carry an interest rate of 14% are secured against the pledge of company's shares held by holding company, current assets of a subsidiary company and corporate guarantee of holding company and subsidiary company.

Maturity profile of long term borrowing is set out below:-

Amount ₹ in lakhs

	Less than 1 year	1-3 years	3-5 years
<b>Secured</b>			
Term loan from banks	6,322	8,386	1,053
Car loan	155	209	-
<b>Unsecured</b>			
Term loan from others	740	3,220	2,280
<b>Total</b>	<b>7,217</b>	<b>11,815</b>	<b>3,333</b>

## Notes

### to the consolidated financial statements and other explanatory information

#### 18 Trade payable - non current

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Payable to related parties (refer note 43)	102	84
<b>Total</b>	<b>102</b>	<b>84</b>

#### 19 Other financial liabilities

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Security deposits	-	1
<b>Total</b>	<b>-</b>	<b>1</b>

#### 20 Employee benefit obligations - non current

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Provision for gratuity (refer note 40)	476	423
Leave encashment	11	27
<b>Total</b>	<b>487</b>	<b>450</b>

#### 21 Deferred tax liabilities (net)

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Deferred Tax Liability arising on account of</b>		
Depreciation on tangible assets	107	154
Amortization of intangible assets	26,742	30,209
Unabsorbed Business Losses	-	248
<b>Total Deferred Tax Liability</b>	<b>26,849</b>	<b>30,611</b>
<b>Deferred Tax Asset arising on account of</b>		
Depreciation on tangible assets	54	64
Disallowances under Income Tax Act, 1961	971	741
Gratuity and leave encashment	15	30
Others	797	477
MAT credit recoverable	511	6,800
<b>Total Deferred Tax Assets</b>	<b>2,348</b>	<b>8,112</b>
<b>Total Deferred Tax Liabilities (net)</b>	<b>24,501</b>	<b>22,499</b>

#### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Profit before tax</b>	<b>28,735</b>	<b>32,223</b>
Income tax expense at tax rates applicable to individual entities	4,262	7,548
Effect of Income taxed at higher/ (lower) rates	-	(31)
Effect of Income taxes relating to prior years	177	207
Effect of change in deferred tax balances due to change in tax rates	247	-
Effect of Items not deductible for tax purpose	313	330
Effect of unrecognized deferred tax assets	668	-
Effect of Minimum alternative tax credit	-	(52)
Others	(54)	(108)
<b>Tax expense as per Statement of Profit and Loss</b>	<b>5,613</b>	<b>7,894</b>

## Notes to the consolidated financial statements and other explanatory information

### 22 Other non-current liabilities

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Deferred revenue	1,512	3,016
<b>Total</b>	<b>1,512</b>	<b>3,016</b>

### 23 Short-term borrowings

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Secured</b>		
Secured from banks	38,813	36,517
<b>Unsecured</b>		
Unsecured *	7,515	1,900
From related parties (refer note 43)	480	4,616
<b>Total</b>	<b>46,808</b>	<b>43,033</b>

Secured short term borrowings include:

Cash credit, secured by way of hypothecation of inventories and receivables relating to domestic rights operations on pari passu basis.

Bills discounted, secured by document of title to goods and accepted hundies with first pari passu charge on current assets.

Drawee bills discounted secured by assignment of film processing laboratory letter conveying rights on the negative of the particular film being co-produced.

Packing credit, secured by hypothecation of films and film rights with first pari passu charge on current assets.

Short term borrowings are further secured by equitable mortgage of company's immovable properties situated at Mumbai (India), amount held in margin money, corporate guarantee of Eros International Plc (the ultimate holding company), residual value of equipments and existing rights of hindi films with nil book value.

\*Loan from others are secured by security provided by holding company.

### 24 Acceptances

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Payable under the film financing arrangements	5,796	5,795
<b>Total</b>	<b>5,796</b>	<b>5,795</b>

Acceptances comprise of credit availed from financial institutions for payment to film producers for film co-production arrangement entered by the group. The carrying value of acceptances are considered a reasonable approximation of fair value.

### 25 Trade payables - current financials liabilities

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Trade payable	11,780	14,040
Payable to related parties (refer note 43)	20,547	15,502
<b>Total</b>	<b>32,327</b>	<b>29,542</b>

### 26 Other financial liabilities

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term borrowings (refer note 17)	7,217	7,201
Interest accrued but not due on borrowings	299	382
Employee dues	373	697
Unclaimed dividend*	1	1
Other expenses payable	902	2,422
Other payable to related party (refer note 43)	274	183
<b>Total</b>	<b>9,066</b>	<b>10,886</b>

\*These figures do not includes any amount due and outstanding to be credited to Investor Education and Protection Fund.

## Notes

### to the consolidated financial statements and other explanatory information

#### 27 Employee benefit obligations - current

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Gratuity	63	51
Compensated Absences	161	167
<b>Total</b>	<b>224</b>	<b>218</b>

#### 28 Current tax liabilities (net)

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Provision for Corporate Taxes (net of advance tax)	3,684	4,400
<b>Total</b>	<b>3,684</b>	<b>4,400</b>

#### 29 Other Current Liabilities

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Advance from customers- related parties (refer note 43)	3,452	18,302
Advances from customers- Others	1,152	1,672
Duties & Taxes Payable	6,555	9,438
Trade / security deposits received	-	7
Deferred income	2,449	2,810
Others	29	49
<b>Total</b>	<b>13,637</b>	<b>32,278</b>

#### 30 Revenue from operations

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Sale/distribution/exhibition of films and other rights	95,815	139,916
Other operating revenues	201	54
<b>Total</b>	<b>96,016</b>	<b>139,970</b>

#### 31 Other income

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Dividend Income	-	0
Interest income :		
Bank deposits	215	212
Others	648	-
Income from Export Incentives	-	946
Sundry balances written back and Bad debts recovered	98	383
Provision written back for expected credit loss	2,490	2,246
Gain on disposal of property, plan and equipment (net)	6	-
Other non-operating income	1,528	771
<b>Total</b>	<b>4,985</b>	<b>4,558</b>



## Notes

### to the consolidated financial statements and other explanatory information

#### 32 Purchases / Operating Expenses

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Film rights cost	11,089	33,854
Amortization of film rights (refer note 3)	28,838	44,630
<b>Total</b>	<b>39,927</b>	<b>78,484</b>

#### 33 Changes in Inventories

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Inventories at the end of the year of -</b>		
VCD/ DVD/ Audio CDs	9	38
Film Rights	178	8
	<b>187</b>	<b>46</b>
<b>Inventories at the beginning of the year of -</b>		
VCD/ DVD/ Audio CDs	38	89
Film Rights	8	251
	<b>46</b>	<b>340</b>
<b>Total</b>	<b>(141)</b>	<b>294</b>

#### 34 Employee benefit expenses

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and wages	4,333	5,109
Contributions to provident and other funds (refer note 40)	217	248
Employee share based compensation (refer note 41)	1,013	1,433
Gratuity expenses	221	112
Staff welfare expenses	110	151
<b>Total</b>	<b>5,894</b>	<b>7,053</b>

#### 35 Finance costs

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expenses on loans taken from banks	8,359	5,053
Other interest expenses	502	542
Interest on delayed payment of taxes	1,571	1,722
	<b>10,432</b>	<b>7,317</b>
Less: Interest expenses capitalised to film rights*	(2,115)	(1,657)
Less : Interest received	(264)	(208)
<b>Total</b>	<b>8,053</b>	<b>5,452</b>

\*The capitalisation rate of interest was 10.91 % (31 March 2017 : 9.95 %)

#### 36 Depreciation and amortization expenses

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on property, plants and equipments (refer note 2)	718	641
Amortization on intangible assets other than film rights (refer note 3)	310	317
<b>Total</b>	<b>1,028</b>	<b>958</b>

## Notes

### to the consolidated financial statements and other explanatory information

#### 37 Other expenses

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Print & digital distribution cost	1,182	2,841
Selling & distribution expenses	3,491	6,509
Processing and other direct cost	208	591
Home Entertainment products related cost	23	64
Shipping, Packing & Forwarding Expenses	72	198
Power and fuel	81	104
Rent including lease rentals	443	651
Repairs and maintenance	147	201
Insurance	21	24
Rates and taxes	82	140
Communication Expenses	77	110
Travelling and conveyance	298	389
Legal and professional expenses	1,404	1,400
Payments to auditors	157	240
Trade receivables written off	5,541	337
Content advance written off	228	741
Advances & deposits written off	44	294
Provision for doubtful receivables	1,652	3,111
Provision for doubtful advances	295	283
Loss on disposal of property, plant and equipment	-	35
Provision for diminishment in the value of investments	777	70
Corporate social responsibility expenses	18	31
Loss on foreign exchange (net)	693	1,021
Miscellaneous expenses	571	679
<b>Total</b>	<b>17,505</b>	<b>20,064</b>

#### 38 Earnings per share

	Year ended 31 March 2018	Year ended 31 March 2017
<b>a) Computation of net profit for the year</b>		
Profit after tax attributable to equity shareholders (₹ in lakhs)	22,934	25,745
<b>b) Computation of number of shares for Basic Earnings per share</b>		
Weighted average number of equity shares	94,524,136	93,654,393
<b>Total</b>	<b>94,524,136</b>	<b>93,654,393</b>
<b>c) Computation of number of shares for Diluted Earnings per share</b>		
Weighted average number of equity shares used in the calculation of basic earning per share	94,524,136	93,654,393
Add:- Effect of ESOPs	1,342,648	1,682,594
<b>Total</b>	<b>95,866,784</b>	<b>95,336,987</b>
<b>d) Nominal value of shares</b>	<b>10</b>	<b>10</b>
<b>e) Computation</b>		
Basic (in ₹)	24.26	27.49
Diluted (in ₹)	23.92	27.00

## Notes

### to the consolidated financial statements and other explanatory information

#### 39 Contingent liabilities and commitments (to the extent not provided for)

##### a) Contingent liabilities

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>(i) Claims against the Company not acknowledged as debt</b>		
Sales tax claims disputed by the Company	3,195	1,573
Service tax claim disputed by the Company	39,757	38,863
Income tax liability that may arise in respect of matters in appeal	79	103
<b>(ii) Guarantees</b>		
Guarantee given in favor of various government authorities	25	25
<b>Total (a)</b>	<b>43,056</b>	<b>40,564</b>

##### Notes:

- 1.a During the year ended 31 March 2015, the Company received a show cause notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 19,470 lakhs for the period 1 April 2009 to 31 March 2014 should not be levied on and paid by the Company for service tax arising on temporary transfer of copyright services and other matters.
- In connection with the aforementioned matters, on 19 May 2015, the Company received an Order-in-original issued by the Principal Commissioner, Service Tax, wherein the department confirmed the demand of ₹ 19,470 lakhs along with interest and penalty amounting to ₹ 19,470 lakhs resulting into a total demand of ₹ 38,940 lakhs.
- On 3 September 2015, the Company filed an appeal against the said order before the authorities. Considering the facts and nature of levies and the ad-interim protection for the period 1 July 2010 to 30 June 2012 granted by the Honorable High Court of Mumbai, the Company expects that the final outcome of this matter will be favorable. Accordingly, based on the assessment made after taking appropriate legal advice, no additional liability has been recorded in the financial statements.
- 1.b On 18 April 2016, a subsidiary of the Company- Eros International Films Private Limited, received a show cause notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 597 lakhs for the period 1 April 2014 to 31 March 2015 should not be levied on and paid by the Company for service tax arising on temporary transfer of copyright services and other matters. Considering the facts and nature of levies and the ad-interim protection for the period 1 July 2010 to 30 June 2012 granted by the Honorable High Court of Mumbai, the Company expects that the final outcome of this matter will be favorable. Accordingly, based on the assessment made after taking appropriate legal advice, no additional liability has been recorded in the financial statements.
- 1.c On 28 February 2013, a subsidiary of the Company- Universal Power Systems Private Limited (acquired on 1 August 2015), 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 lakhs against which the subsidiary has paid ₹ 20 lakhs. The subsidiary has not made any provision in the books to give effect to this order and filed an appeal against the demand. The subsidiary expects that the final outcome will be favorable. Accordingly, based on the assessment made after appropriate legal advice, ₹ 94 lakhs has been considered as contingent liability and no liability has been recorded in the financial statements.
- 2 In addition, the Company is liable to pay service tax on use on temporary transfer of copyright in the period 1 July 2010 to 30 June 2012. The Company filed a writ petition in Mumbai High Court challenging the constitutionality and the legality of this entry and received ad-interim protection and accordingly, no amounts were provided for by the Company for the period 1 April 2011 to 30 June 2012.
- 3 It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.
- 4 From time to time, the Group is involved in legal proceedings arising in the ordinary course of its business, typically intellectual property litigation and infringement claims related to the Company's feature films and other commercial activities, which could cause the Company to incur expenses or prevent the Company from releasing a film. While the resolution of these matters cannot be predicted with certainty, the Company does not believe, based on current knowledge or information available, that any existing legal proceedings or claims are likely to have a material and adverse effect on its financial position, results of operations or cash flows.
- 5 The Company does not expect any reimbursements in respect of the above contingent liabilities.

##### (b) Commitments

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Estimated amount of contracts remaining to be executed on capital account	176,842	160,859
<b>Total (b)</b>	<b>176,842</b>	<b>160,859</b>
<b>Total (a)+(b)</b>	<b>219,898</b>	<b>201,423</b>

## Notes

### to the consolidated financial statements and other explanatory information

#### 40 Employment benefits

##### a) Gratuity

The following table set out the status of the gratuity plan as required under Indian Accounting Standard (Ind AS) - 19, Employee benefits, and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>I Change in projected benefit obligation</b>		
Liability at the beginning of the year	474	373
Interest cost	35	30
Current service cost	80	82
Past service cost	106	-
Benefits paid	(45)	(11)
Actuarial loss on obligations	(111)	0
Liability at the end of the year	539	474
Current portion	63	51
Non-current portion	476	423
<b>II Recognized in Balance Sheet</b>		
Liability at the end of the year	539	474
Amount recognized in Balance Sheet	<b>539</b>	<b>474</b>
<b>III Expense recognized in Statement of Profit and loss</b>		
Current service cost	80	82
Interest cost	35	30
Past service cost	106	-
	<b>221</b>	<b>112</b>
<b>Actuarial (Gains) / losses*</b>		
Arising from changes in experience	(89)	(13)
Arising from changes in financial assumptions	(22)	13
Expense/(income) recognized in Other comprehensive income	<b>(111)</b>	<b>-</b>
*Actuarial (gain)/loss of ₹ (111) Lakhs (31 March 2017: ₹ Nil) is included in other comprehensive income.		
<b>IV Assumptions used</b>		
Discount rate	7.35%- 7.85%	7.52%
Long-term rate of compensation increase	10.00%	10.00%
Attrition Rate	2% -20%	2.00%
Expected average remaining working life	4-17 years	18 years

## Notes

### to the consolidated financial statements and other explanatory information

#### 40 Employment benefits (Contd.)

##### V A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Impact on defined benefit obligation</b>		
Projected benefit obligation on current assumption	539	474
Discount rate		
1.00 % increase	(56)	(28)
1.00 % decrease	68	32
<b>Rate of increase in salary</b>		
1.00 % increase	45	24
1.00 % decrease	(40)	(23)
<b>Rate of increase in employee turnover</b>		
1.00 % increase	(7)	(3)
1.00 % decrease	8	3

##### VI Maturity profile of defined benefit obligation

Amount ₹ in lakhs

Year	Year ended 31 March 2018	Year ended 31 March 2017
Year 1	62	51
Year 2	27	19
Year 3	19	29
Year 4	19	22
Year 5	37	20
Sum of Years 6-10	146	143

**VII** Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

**VIII** Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**IX** Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

**X** Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

#### b) Compensated absences

The Company incurred ₹ 36 lakhs (31 March 2017 ₹ 141 lakhs) towards accrual for compensated absences during the year.

#### c) Provident fund

The Company contributed ₹ 198 lakhs (31 March 2017 ₹ 232 lakhs) to the provident fund plan, ₹ 8 lakhs (31 March 2017 ₹ 6 lakhs) to the Employee state insurance plan and ₹ 11 lakhs (31 March 2017 ₹ 10 lakhs) to the National Pension Scheme during the year.



## Notes

### to the consolidated financial statements and other explanatory information

#### 41 Share Based Compensation

The Company has instituted Employees' Stock Option Plan "ESOP 2009" and "ESOS 2017" under which the stock options have been granted to employees. The scheme was approved by the shareholders at the Extra Ordinary General Meeting held on 4 December 2009 and Annual General Meeting held on 28 September 2017 respectively. The details of activity under the ESOP 2009 scheme are summarized below:

**The expense recognized for employee services received during the year is shown in the following table:**

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Expense arising from equity-settled share-based payment transactions	1,013	1,433
There were no cancellations or modifications to the awards in 31 March 2018 and 31 March 2017.		
<b>Movements during the year</b>		
The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:		

	As at 31 March 2018		As at 31 March 2017	
	Number	WAEP*	Number	WAEP*
Outstanding at 1 April	2,108,063	36	2,196,215	35
Granted during the year	863,320	10	282,227	10
Forfeited during the year	(234,189)	10	(100,826)	10
Exercised during the year	(1,113,160)	32	(269,553)	10
<b>Outstanding at 31 March</b>	<b>1,624,034</b>	<b>29</b>	<b>2,108,063</b>	<b>36</b>
Exercisable at 31 March	501,122	71	911,854	64
Range of exercise price of outstanding options (₹)	₹ 10-175		₹ 10-175	
Weighted average remaining contractual life of option	2.96 Years		4.07 Years	

\*WAEP denotes weighted average exercise price of the option

Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Date of grant									
	17-Dec-09	12-Aug-10	1-Jul-12	14-Oct-13	12-Nov-14	12-Feb-15	9-Feb-16	10-Feb-17	14-Nov-17	10-Feb-18
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility	75.00%	60.00%	44.00%	35.00%	40.11%	37.84%	46.46%	48.66%	56.53%	53.15%
Risk free interest rate	6.30%	6.50%	8.36%	8.57%	8.50%	7.74%	7.49%	6.51%	6.90%	7.38%
Exercise price	75-175	75-135	75	150	10	10	10	10	10	10
Expected life of options granted in years	5.25	5.25	5.50	4.50	As per Table 1.1			4.27	3.50	4.50

**Table 1.1**

#### Expected life of options granted in years

Option Grant date	9-Feb-16		12-Feb-15		12-Nov-14	
	Old Employees	New Employees	Old Employees	New Employees	Old Employees	New Employees
Year I	3.50	4.50	3.00	3.00	3.50	4.50
Year II	4.50	5.50	3.50	4.00	4.50	5.50
Year III	5.50	6.50	4.00	4.50	5.50	6.50

The expected life of options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may differ from the actual.

## Notes to the consolidated financial statements and other explanatory information

### 42 Segment Reporting

#### Description of segment and principal activities

The Company acquires, co-produces and distributes Indian films in multiple formats worldwide. Film content is monitored and strategic decisions around the business operations are made based on the film content, whether it is new release or library. Hence, Management identifies only one operating segment in the business, film content. The Company distributes film content to the Indian population in India and worldwide and to non-Indian consumers who view Indian films that are subtitled or dubbed in local languages. As a result of these distribution activities, the management examines the performance of the business from a geographical market perspective.

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Revenue by region of domicile of customer's location</b>		
India	61,824	84,640
United Arab Emirates	16,382	43,163
Rest of the world	17,810	12,167
<b>Total revenue</b>	<b>96,016</b>	<b>139,970</b>

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

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
<b>Non-current assets</b>		
India	226,721	226,476
United Arab Emirates	28,991	18,787
Rest of the world	18,492	32,611
<b>Total non-current assets</b>	<b>274,204</b>	<b>277,874</b>

### 43 Related party disclosures

#### Parent entity

Relationship	Name
Ultimate holding company	Eros International PLC
Holding company	Eros Worldwide FZ LLC

#### List of Key management personnel (KMP)

Mr. Sunil Arjan Lulla – Executive Vice Chairman and Managing Director  
 Mr. Kishore Arjan Lulla – Executive Director  
 Mrs. Jyoti Deshpande – Executive Director  
 Mr. Dinesh Modi -Group Chief Financial Officer (India) (upto 8 March 2018)  
 Mr. Farokh P. Gandhi - Chief Financial Officer (w.e.f. 9 March 2018)  
 Mrs. Dimple Mehta - Vice President Company Secretary and Compliance Officer (upto 14 December 2017)  
 Mr. Abhishekh Kanoi - Vice President Company Secretary and Compliance Officer (w.e.f. 15 December 2017)

Relatives of KMP with whom transactions exist	Mrs. Manjula K Lulla (wife of Mr. Kishore Arjan Lulla) Mrs. Krishika Lulla (wife of Mr. Sunil Arjan Lulla)
Entities over which KMP exercise significant influence	Shivam Enterprises Eros Television India Private Limited
Fellow subsidiary company	Eros Digital Private Limited Eros International Limited, United Kingdom Eros Digital FZ LLC

## Notes

### to the consolidated financial statements and other explanatory information

#### 43 Related party disclosures (Contd.)

##### c) Transactions with related parties

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Sale of film rights</b>		
Eros Worldwide FZ LLC	10,592	38,202
	<b>10,592</b>	<b>38,202</b>
<b>Revenue attributable to Eros Digital FZ LLC</b>	<b>(10,449)</b>	<b>(5,004)</b>
<b>Sale of prints/VCD/DVD</b>		
Eros Worldwide FZ LLC	6	40
<b>Total</b>	<b>6</b>	<b>40</b>
<b>Purchase of film rights</b>		
Eros International Limited	-	7,360
<b>Total</b>	<b>-</b>	<b>7,360</b>
<b>Re-imbursement of administrative expense</b>		
Eros Worldwide FZ LLC	609	759
Eros Digital FZ LLC	7,222	2,742
<b>Total</b>	<b>7,831</b>	<b>3,501</b>
<b>Rent expenses</b>		
Mr. Sunil Arjan Lulla	276	276
Mrs. Manjula K Lulla	240	240
Mr. Kishore Arjan Lulla	36	36
<b>Total</b>	<b>552</b>	<b>552</b>
<b>Interest income</b>		
Eros International Limited	645	41
<b>Total</b>	<b>645</b>	<b>41</b>
<b>Interest expenses</b>		
Eros Digital Private Limited	49	46
Eros Television India Private Limited	482	24
<b>Total</b>	<b>531</b>	<b>70</b>
Salary, commission and perquisites* to KMPs	1,657	916
<b>Total</b>	<b>1,657</b>	<b>916</b>

\* Perquisites to KMP have been valued as per Income Tax Act, 1961 and rules framed thereunder or at actuals as the case may be.

Excludes ₹ 72 lakhs (31 March 2017 : ₹ 66 lakhs) charged to Statement of Profit and loss on account of stock compensation for awards granted.

##### d) Transactions with related parties

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Content advances given</b>		
Eros International Limited	11,180	7,609
<b>Total</b>	<b>11,180</b>	<b>7,609</b>
<b>Refund of content advances</b>		
Eros International Limited	18,709	2,689
<b>Total</b>	<b>18,709</b>	<b>2,689</b>
<b>Trade advances/ loans given</b>		
Eros Television India Private Limited	65	-
Eros Worldwide FZ LLC	10,123	-
<b>Total</b>	<b>10,188</b>	<b>-</b>
<b>Recovery of trade advances/ loans given</b>		
Eros Television India Private Limited	62	-
<b>Total</b>	<b>62</b>	<b>-</b>
<b>Trade advances/ loans taken</b>		
Eros Worldwide FZ LLC	3,257	14,614
Eros International Limited	354	12,635

## Notes

### to the consolidated financial statements and other explanatory information

#### 43 Related party disclosures (Continued)

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
Eros Television India Private Limited	610	4,150
<b>Total</b>	<b>4,221</b>	<b>31,399</b>
<b>Repayment of advances/ loans</b>		
Eros Worldwide FZ LLC	18,416	54,008
Eros International Limited	354	12,558
Eros Digital Private Limited	23	10
Eros Television India Private Limited	5,254	10
<b>Total</b>	<b>24,047</b>	<b>66,586</b>
<b>Refund of deposits</b>		
Mr. Sunil Arjan Lulla	33	26
<b>Total</b>	<b>33</b>	<b>26</b>

#### Balances with related parties

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Trade balances due from</b>		
Eros Worldwide FZ LLC	6,595	7,835
Eros Digital FZ LLC	2,453	2,116
Eros International Limited	88	88
<b>Total</b>	<b>9,136</b>	<b>10,039</b>
<b>Trade balances due to</b>		
Eros Worldwide FZ LLC	13,303	13,477
Eros International Limited	102	84
Eros Digital FZ LLC	7,244	2,025
<b>Total</b>	<b>20,649</b>	<b>15,586</b>
<b>Advances/Loan due to</b>		
Eros Worldwide FZ LLC	3,452	18,302
Eros Digital Private Limited	480	454
Eros Television India Private Limited	-	4,162
<b>Total</b>	<b>3,932</b>	<b>22,918</b>
<b>Content advances given to</b>		
Eros International Limited	332	-
<b>Total</b>	<b>332</b>	<b>-</b>
<b>Loans and advances due from</b>		
Eros Worldwide FZ LLC	10,123	-
Shivam Enterprises	57	57
Eros Television India Private Limited	3	-
<b>Total</b>	<b>10,183</b>	<b>57</b>
<b>Security Deposits/Amounts due from KMPs or their relatives</b>		
Mr. Sunil Arjan Lulla	302	336
Mr. Kishore Arjan Lulla	240	240
Mrs. Manjula K. Lulla	75	75
Mrs. Krishika Lulla	-	1
<b>Total</b>	<b>617</b>	<b>652</b>
<b>Amounts due to KMPs or their relatives</b>		
Mr. Sunil Arjan Lulla	117	121
Mr. Kishore Arjan Lulla	115	43
Mrs. Jyoti Deshpande	-	12
Mrs. Manjula K. Lulla	42	7
<b>Total</b>	<b>274</b>	<b>183</b>

#### 2 Terms and conditions

All outstanding balances are unsecured and repayable in cash.

## Notes

### to the consolidated financial statements and other explanatory information

#### 44 Categories of financial assets and financial liabilities

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

Amount ₹ in lakhs

Particulars	Carrying value /Fair value	
	As at 31 March 2018	As at 31 March 2017
<b>Financial assets</b>		
<b>Measured at fair value through Statement of Profit and Loss</b>		
Investments	0	0
	0	0
<b>Measured at amortised cost</b>		
Loans	13,029	6,546
Restricted bank deposits	4,492	4,473
Other financial assets	1,091	1,051
Trade receivables	69,857	63,058
Cash and cash equivalents	14,230	13,417
	<b>102,699</b>	<b>88,545</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowings	61,760	57,973
Acceptance	5,796	5,795
Trade payables	32,429	29,626
Other financial liabilities	9,066	10,887
	<b>109,051</b>	<b>104,281</b>

#### 45 Fair value measurement of financial instruments

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability

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

Amount ₹ in lakhs

Particulars	Carrying value /Fair value			
	As at 31 March 2018	Level 1	Level 2	Level 3
<b>Financial assets</b>				
<b>Measured at fair value through Statement of Profit and Loss</b>				
Investments	0	0	-	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>



## Notes

### to the consolidated financial statements and other explanatory information

#### 45 Fair value measurement of financial instruments (Contd.)

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

Amount ₹ in lakhs

Particulars	Carrying value /Fair value			
	As at 31 March 2018	Level 1	Level 2	Level 3
<b>Measured at amortised cost</b>				
<b>Financial assets</b>				
Loans	13,029	-	-	-
Restricted deposits	4,492	-	-	-
Other financial assets	1,091	-	789	-
Trade receivables	69,857	-	-	-
Cash and cash equivalents	14,230	-	-	-
	<b>102,699</b>	<b>-</b>	<b>789</b>	<b>-</b>
<b>Measured at amortised cost</b>				<b>-</b>
<b>Financial liabilities</b>				
Borrowings- Non-current	14,952	-	14,952	-
Borrowings- Current	46,808	-	-	-
Acceptance	5,796	-	-	-
Trade payables	32,429	-	-	-
Other financial liabilities	9,066	-	-	-
<b>Total</b>	<b>109,051</b>	<b>-</b>	<b>14,952</b>	<b>-</b>

During the year ended 31 March 2018 there was no transfer between level 2 and level 3 fair value hierarchy.

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities and short term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short term maturities of these financial assets and liabilities.

Fair value of the borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows.

Financial instruments with fixed and variable interest rate fall within level 2 of the fair value hierarchy and are evaluated by Company based on parameters such as interest rate, credit rating or assessed credit worthiness.

Amount ₹ in lakhs

Particulars	Carrying value /Fair value			
	As at 31 March 2017	Level 1	Level 2	Level 3
<b>Financial assets</b>				
<b>Measured at fair value through Statement of Profit and Loss</b>				
Investments	0	0	-	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>

## Notes

### to the consolidated financial statements and other explanatory information

#### 45 Fair value measurement of financial instruments (Continued)

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

Amount ₹ in lakhs

Particulars	Carrying value /Fair value			
	As at 31 March 2017	Level 1	Level 2	Level 3
<b>Measured at amortised cost</b>				
<b>Financial assets</b>				
Loans	6,546	-	-	-
Restricted deposits	4,473	-	864	-
Other financial assets	1,051	-	-	-
Trade receivables	63,058	-	-	-
Cash and cash equivalents	13,417	-	-	-
	<b>88,545</b>	<b>-</b>	<b>864</b>	<b>-</b>
<b>Measured at amortised cost</b>				<b>-</b>
<b>Financial liabilities</b>				
Borrowings- Non-current	14,940	-	14,940	-
Borrowings- Current	43,033	-	-	-
Acceptance	5,795	-	-	-
Trade payables	29,626	-	-	-
Other financial liabilities	10,887	-	-	-
<b>Total</b>	<b>104,281</b>	<b>-</b>	<b>14,940</b>	<b>-</b>

During the year ended 31 March 2017 there was no transfer between level 2 and level 3 fair value hierarchy.

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities and short term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short term maturities of these financial assets and liabilities

#### 46 Financial instruments and Risk management

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

The Company's risk management is coordinated in close cooperation with the board of directors and audit committee meetings.

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

Formal policies and guidelines have been set to achieve these objectives. The Company does not enter into speculative arrangements or trade in financial instruments and it is the Company's policy not to enter into complex financial instruments unless there are specific identified risks for which such instruments help mitigate uncertainties.

##### Management of Capital Risk and Financial Risk

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. Net debt is calculated as borrowing (refer note 17, 23, 24 and 26) less cash and cash equivalents.

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

Amount ₹ in lakhs

	As at 31 March 2018	As at 31 March 2017
Debt	74,773	70,969
Less: Cash and cash equivalents	(14,230)	(13,417)
<b>Net debt</b>	<b>60,543</b>	<b>57,552</b>
Equity	225,588	200,440
<b>Net debt to equity</b>	<b>26.84%</b>	<b>28.71%</b>

## Notes

### to the consolidated financial statements and other explanatory information

#### 46 Financial instruments and Risk management (Contd.)

##### Financial risk management objectives

Based on the operations of the Company, Management considers that key financial risks that it faces are credit risk, currency risk, liquidity risk and interest rate risk. The objectives under each of these risks are as follows:

- credit risk: minimize the risk of default and concentration.
- currency risk: reduce exposure to foreign exchange movements principally between INR and USD.
- liquidity risk: ensure adequate funding to support working capital and future capital expenditure requirements.
- interest rate risk: mitigate risk of significant change in market rates on the cash flow of issued variable rate debt.

##### Credit Risk

The Company's credit risk is principally attributable to its trade receivables, loans and bank balances. As a number of the Company's trading activities require third parties to report revenues due to the Company this risk is not limited to the initial agreed sale or advance amounts. The amounts shown within the Balance Sheet in respect of trade receivables and loans are net of allowances for doubtful debts based upon objective evidence that the Company will not be able to collect all amounts due.

Trading credit risk is managed on a customer by customer basis by the use of credit checks on new clients and individual credit limits, where appropriate, together with regular updates on any changes in the trading partner's situation. In a number of cases trading partners will be required to make advance payments or minimum guarantee payments before delivery of any goods. The Company reviews reports received from third parties and in certain cases as a matter of course reserve the right within the contracts it enters into to request an independent third party audit of the revenue reporting.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings as signed by international credit rating agencies.

The Company from time to time will have significant concentration of credit risk in relation to individual theatrical releases, television syndication deals or digital licenses. This risk is mitigated by contractual terms which seek to stagger receipts and/or the release or airing of content. As at 31 March 2018 37% (31 March 2017: 40%) of trade account receivables were represented by the top 5 customer, out of which as at 31 March 2018 9% (31 March 2017: 13%) of trade account receivables were represented by the related parties. The maximum exposure to credit risk is that shown within the statement of financial position.

As at 31 March 2018, the Company did not hold any material collateral or other credit enhancements to cover its credit risks associated with its financial assets.

##### Currency Risk

The Company is exposed to foreign exchange risk from foreign currency transactions. As a result it faces both translation and transaction currency risks 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 to date by seeking to match foreign currency inflows and outflows as much as possible such as packing credit repayment in USD is matched with remittances from UAE in USD. Details of the foreign currency borrowings that the Company uses to mitigate risk are shown within Interest Risk disclosures.

As at the Balance Sheet date there were no outstanding forward foreign exchange contracts. The Company adopts a policy of borrowing where appropriate in the local 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:

Amount in lakhs

	Net balance receivables / (payables)				
	INR	USD	SGD	GBP	EUR
As at 31 March 2018	1,363	26	0	(3)	-
As at 31 March 2017	258	10	-	(3)	(1)

The above foreign currency arises when the Company holds monetary assets and liabilities denominated in a currency other than ₹.

A uniform decrease of 10% in exchange rates against all foreign currencies in position as of 31 March 2018 would have decreased in the Company's net profit before tax by approximately ₹ 136 lakhs (31 March 2017: gain of ₹ 25 lakhs). An equal and opposite impact would be experienced in the event of an increase by a similar percentage

## Notes

### to the consolidated financial statements and other explanatory information

#### 46 Financial instruments and Risk management (contd.)

##### Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves and agreed committed banking facilities. Management of working capital takes account of film release dates and payment terms agreed with customers.

A maturity analysis for financial liabilities is provided below. The amounts disclosed are based on contractual undiscounted cash flows. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates as at 31 March, in each year.

Amount ₹ in lakhs

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
<b>As at 31 March 2018</b>					
Borrowing principal payments	69,173	53,899	11,939	3,335	-
Borrowing interest payments	9,917	7,225	2,418	274	-
Acceptance	5,796	5,796	-	-	-
Trade and other payables	32,429	32,327	102	-	-

Amount ₹ in lakhs

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
<b>As at 31 March 2017</b>					
Borrowing principal payments	65,332	50,227	10,429	4,676	-
Borrowing interest payments	10,081	7,148	2,500	433	-
Acceptance	5,795	5,795	-	-	-
Trade and other payables	29,627	29,542	85	-	-

At 31 March 2018, the Company had facilities available of ₹ 74,780 Lakhs (31 March 2017: ₹ 70,990 Lakhs) and had net undrawn amounts of ₹ 414 Lakhs (31 March 2017: ₹ 1,444 Lakhs) available.

##### Interest rate risk

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. A uniform increase of 100 basis in interest rates against all borrowings in position as of 31 March 2018 would have decreased in the Company's net profit before tax by approximately ₹ 317 lakhs (31 March 2017: net profit before tax of ₹ 213 lakhs). An equal and opposite impact would be experienced in the event of a decrease by a similar basis.

#### 47 a. Enterprises Consolidated as Subsidiary in accordance with Indian Accounting Standard 110- Consolidated Financial Statements

Sr. No.	Name of enterprises	Country of incorporation	Proportion of ownership interest
1	Eros International Films Private Limited	India	100%
2	Big Screen Entertainment Private Limited	India	64%
3	EyeQube Studios Private Limited	India	100%
4	EM Publishing Private Limited	India	100%
5	Eros Animation Private Limited	India	100%
6	Copsale Limited	British Virgin Island	100%
7	Digicine PTE Limited	Singapore	100%
8	Colour Yellow Productions Private Limited	India	50%
9	Universal Power Systems Private Limited	India	100%
10	Ayngaran International Limited (Isle of Man) *	Isle of Man	51%
11	Ayngaran International UK Limited*	United Kingdom	100%
12	Ayngaran International Mauritius Limited*	Mauritius	100%
13	Ayngaran International Media Private Limited*	India	100%
14	Ayngaran Anak Media Private Limited*	India	51%

\*The Group has divested five subsidiaries on 1 October 2017.

## Notes

### to the consolidated financial statements and other explanatory information

#### 47 b. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates/Joint Ventures

Name of Enterprises	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated profit or loss	₹ in lakhs	As % of consolidated other comprehensive income	₹ in lakhs	As % of consolidated total comprehensive income	₹ in lakhs
<b>Parent</b>								
Eros International Media Limited	64%	144,199	33%	7,701	109%	56	33%	7,757
<b>Subsidiaries</b>								
<b>Indian</b>								
Eros International Films Private Limited	0.8%	1,715	-0.2%	(39)	-	-	-0.2%	(39)
Big Screen Entertainment Private Limited	0.0%	79	-0.1%	(22)	-	-	-0.1%	(30)
EyeQube Studios Private Limited	0.0%	39	0.0%	(6)	-	-	0.0%	(6)
EM Publishing Private Limited	0.0%	(20)	0.0%	(2)	-	-	0.0%	(2)
Eros Animation Private Limited	0.0%	(1)	0.0%	(0)	-	-	0.0%	0
Colour Yellow Productions Private Limited	1%	2,390	2%	534	-	-	1%	267
Universal Power Systems Private Limited	0.2%	374	-6%	(1,333)	34%	17	-5.7%	(1,316)
Eros International Distribution LLP	-	-	-	-	-	-	-	-
<b>Foreign</b>								
Digicine PTE Limited	-0.3%	(729)	-3%	(669)	-15%	(8)	-3%	(677)
Copsale Limited	35%	78,209	77%	17,869	-28%	(14)	76%	17,600
<b>Non controlling interests</b>	0.6%	1,287	0.8%	188			-0.1%	(34)

#### 48 Auditors' remuneration

Amount ₹ in lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
<b>As auditor</b>		
Statutory audit	97	154
Limited review	25	44
Tax audit	10	12
	<b>132</b>	<b>210</b>
<b>In other capacity</b>		
Other services (certification fees)	15	12
	<b>15</b>	<b>12</b>
Reimbursement of expenses	10	18
<b>Total</b>	<b>157</b>	<b>240</b>



## Notes

### to the consolidated financial statements and other explanatory information

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

#### **50 Post reporting date events**

No adjusting or significant non-adjusting events have occurred between 31 March 2018 and the date of authorisation of these consolidated financial statements

#### **51 Authorisation of financial statements**

The financial statement for the year ended 31 March 2018 (including comparatives) were approved by the board of directors on 23 May 2018.

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No.: 101720W

Sd/-  
**Amit Chaturvedi**  
Partner  
Membership No: 103141

Place: Mumbai  
Date : 23 May 2018

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

Sd/-  
**Sunil Arjan Lulla**  
Executive Vice Chairman and Managing Director  
(DIN: 00243191)

Sd/-  
**Farokh P. Gandhi**  
Chief Financial Officer

Place: Mumbai  
Date : 23 May 2018

Sd/-  
**Sunil Srivastav**  
Non Executive Independent Director  
(DIN: 00237561)

Sd/-  
**Abhishekh Kanoi**  
Vice President - Company Secretary  
and Compliance Officer

# NOTICE OF THE 24<sup>TH</sup> ANNUAL GENERAL MEETING

**Regd. Office:** 201, Kailash Plaza, Opp. Laxmi Industrial Estate, Off. Andheri Link Road, Andheri West, Mumbai 400 053, Maharashtra (India).

**Corporate Office:** 901/ 902, Supreme Chambers, Off. Veera Desai Road, Andheri West, Mumbai 400 053, Maharashtra (India).

Phone: +91 22 66021500 | Fax: +91 22 66021540 | Email: [compliance.officer@erosintl.com](mailto:compliance.officer@erosintl.com) | Website: [www.erosintl.com](http://www.erosintl.com)

**CIN:** L99999MH1994PLC080502

**NOTICE** is hereby given that the 24<sup>th</sup> Annual General Meeting (AGM) of the Members of Eros International Media Limited will be held on Thursday, the 27<sup>th</sup> day of September 2018 at 'The Club', D N Nagar, Andheri West, Mumbai 400 053, Maharashtra (India) at 2.00 P.M., to transact the following business:

## ORDINARY BUSINESS:

### 1. To receive, consider and adopt:

- the Audited Financial Statements of the Company for the financial year ended 31 March 2018, together with the Report of the Directors' and Auditors thereon.
- the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2018, together with the Report of the Auditors thereon.

### 2. To appoint a Director in place of Mrs. Jyoti Deshpande (DIN 02303283), who retires by rotation, and being eligible, offers herself for re-appointment.

## SPECIAL BUSINESS:

### 3. Appointment of Mr. Subramaniam Lakshminarayanan (DIN 07972480) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 ("Act") (as amended) read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Subramaniam Lakshminarayanan (DIN 07972480), Director of the Company in respect of whom the Company has received a notice, in writing from a member proposing his candidature for the office of Director as per Section 160 of the said Act, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of Five (5) consecutive years from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting of the Company to be held in the Calendar Year 2023.

**RESOLVED FURTHER THAT** on the above appointment and as per the resolution passed by the shareholders at the 21<sup>st</sup> Annual General Meeting of the Company held on 3 September 2015, Mr. Subramaniam Lakshminarayanan (DIN 07972480) be paid remuneration by way of commission, in addition to the sitting fees for attending the meetings of the Board of Directors and/or Committees thereof, as the Board of Directors of the Company may determine from time to time, not exceeding in aggregate 1% of Net Profits of the Company for each financial year, as computed in the manner as laid down in Section 198 of the said Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any statutory modification(s) or re-enactments(s) thereof."

### 4. Appointment of Mr. Sunil Srivastav (DIN 00237561) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 ("Act") (as amended) read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors)

Rules, 2014 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Sunil Srivastav (DIN 00237561), Director of the Company in respect of whom the Company has received a notice, in writing from a member proposing his candidature for the office of Director as per Section 160 of the said Act, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of Five (5) consecutive years from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting of the Company to be held in the Calendar Year 2023.

**RESOLVED FURTHER THAT** on the above appointment and as per the resolution passed by the shareholders at the 21<sup>st</sup> Annual General Meeting of the Company held on 3 September 2015, Mr. Sunil Srivastav (DIN 00237561) be paid remuneration by way of commission, in addition to the sitting fees for attending the meetings of the Board of Directors and/or Committees thereof, as the Board of Directors of the Company may determine from time to time, not exceeding in aggregate 1% of Net Profits of the Company for each financial year, as computed in the manner as laid down in Section 198 of the said Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any statutory modification(s) or re-enactments(s) thereof."

### 5. Material Related Party Transactions with Reliance Eros Productions LLP

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 (as amended) and applicable Rules made thereto, and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and applicable provisions of the Foreign Exchange Management Act, 1999 and rules, regulations and guidelines made there under and subject to such approvals, consents, sanctions and permissions as may be necessary from appropriate authorities, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board of Directors of the Company or any person(s) authorized by the Board to exercise the powers conferred on the Board of Directors of the Company by this Resolution) to enter into material contracts/arrangements/transactions in the normal course of business with Reliance Eros Productions LLP, a subsidiary company and a Related Party under Section 2(76) of the Companies Act, 2013 for production of cinematograph films (in Hindi and other regional and foreign languages) and original television and digital programmes for an estimated amount of ₹ 500 crores in each financial year on such terms and conditions as determined by the Board of Directors from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to decide upon the nature and the value of transactions to be entered into with Reliance Eros Productions LLP for production of cinematograph films (in Hindi and other regional and foreign languages) and original television and digital programmes within the maximum aforesaid limits.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to alter/vary the terms and conditions entered by the Company with Reliance Eros Productions LLP for such period as may be determined by the Board from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to sign and execute all such deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to the aforesaid resolutions."

#### 6. Material Related Party Transactions with Eros Digital FZ LLC

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 (as amended) and applicable Rules made thereto and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and applicable provisions of the Foreign Exchange Management Act, 1999 and rules, regulations and guidelines made there under, and subject to such approvals, consents, sanctions and permissions as may be necessary from appropriate authorities, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board of Directors of the Company or any person(s) authorized by the Board to exercise the powers conferred on the Board of Directors of the Company by this Resolution) to enter into material contracts/arrangements/transactions in the normal course of business with Eros Digital FZ LLC, a group company and a Related Party under Section 2(76) of the Companies Act, 2013 for the purpose of acquisition and distribution of digital rights and other related expenses/matters for an estimated amount of ₹ 300 crores in each financial year on such terms and conditions as determined by the Board of Directors from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to decide upon the nature and the value of transactions to be entered into with Eros Digital FZ LLC for the purpose of acquisition and distribution of digital rights and other related expenses/matters within the maximum aforesaid limits.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to alter/vary the terms and conditions entered by the Company with Eros Digital FZ LLC for such period as may be determined by the Board from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to sign and execute all such deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to the aforesaid resolutions."

By Order of the Board of Directors  
For **Eros International Media Limited**

Sd/-  
**Abhishekh Kanoi**

Vice President- Company Secretary  
and Compliance Officer  
Membership No. – F9530

Date : 23 May 2018  
Place: Mumbai

#### NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the business under Item Nos. 2 to 6 set out above and details of Directors seeking appointment/re-appointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India in respect of directors seeking appointment / re-appointment at this Annual General Meeting ("AGM"/ "the Meeting") are annexed hereto.

2. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting is done away vide notification dated 7 May 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed for the period of Five (5) years in the 23<sup>rd</sup> Annual General Meeting held on 28 September 2017.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person shall not act as Proxy for more than Fifty (50) members and holding in the aggregate not more than Ten (10) percent of the total share capital of the Company carrying voting rights. A person holding more than Ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/authority, as applicable.
4. The instrument appointing the proxy (as per the format provided with), in order to be effective, should be duly stamped, completed and signed and deposited at the Corporate Office of the Company not less than Forty Eight (48) hours before the commencement of the Meeting.
5. MEMBER/PROXY SHOULD BRING THE ATTENDANCE SLIP SENT HERewith, DULY FILLED IN, FOR ATTENDING THE MEETING.
6. Corporate Members intending to send their Authorized Representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representatives to attend and vote on their behalf at the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 20 September 2018 till Thursday, 27 September 2018 (both days inclusive).
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Transfer Agent, M/s. Link Intime India Private Limited.
9. Members must quote their Folio No./Demat Account No. and contact details such as e-mail address, contact no. etc in all their correspondence with the Company/ Registrar and Transfer Agent.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Transfer Agent.
11. Relevant documents referred to in this Notice and the statement pursuant to Section 102 of the said Act shall be open for inspection at the Registered Office as well as at the Corporate Office of the Company during business hours on all days except Saturdays, Sundays and Public Holidays between 11:00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the said Act, and the Register of Contracts and Arrangements in which the Directors are interested, maintained under Section 189 of the said Act will be available for inspection by the members at the AGM.
12. Every Member entitled to vote at the AGM of the Company can inspect the proxies lodged at the Company at any time during the

business hours of the Company during the period beginning Twenty Four (24) hours before the time fixed for the commencement of the AGM. However, a prior notice of not less than Three (3) days, in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.

13. The Company has designated an exclusive email ID [compliance.officer@erosintl.com](mailto:compliance.officer@erosintl.com) for redressal of shareholders complaints/grievances. For any investor related queries, you are requested to please write to us at the above Email ID.
14. Members who are yet to encash their earlier dividend warrants for the interim dividend in FY 2012-13 are requested to contact the office of the Company Secretary / M/s Link Intime Private Limited, Registrar and Transfer Agent (RTA) of the Company for revalidation of the dividend warrants/issue of fresh demand drafts. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28 September 2017 (date of the last Annual General Meeting) on the website of the Company at [www.erosintl.com](http://www.erosintl.com) and also on the website of the Ministry of Corporate Affairs.
15. Members are requested to bring their Attendance Slip along with copy of the Annual Report to the Annual General Meeting.
16. Members who wish to obtain any information on the Company or view the financial statements for the Financial Year ended 31 March 2018 may visit website of the Company at [www.erosintl.com](http://www.erosintl.com) or send their queries to the Company Secretary at the Corporate Office of the Company atleast Ten (10) days before the AGM.
17. In terms of the applicable provisions of the said Act and Rules thereto, the Company has obtained email addresses of its Members and have given an advance opportunity to every Member to register their email address and changes therein from time to time with the Company for service of communications / documents (including Notice of General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report and all other documents) through electronic mode.
18. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

Although, the Company has given opportunity for registration of email addresses and has already obtained email addresses from some of its Members, the Company once again requests its Members, who have so far not registered, to register their e-mail address(es) and changes therein from time to time, through any of the following manner:

- i. **Email Intimation:** By sending an email mentioning the Name(s) and Folio Number/Client ID and DP ID to the Registrar and Transfer Agent at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) and [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in) or to the Company at [compliance.officer@erosintl.com](mailto:compliance.officer@erosintl.com)
- ii. **Written Communication:** By sending written communication addressed to the Company Secretary and Compliance Officer at the Corporate Office of the Company or to the Registrar and Transfer Agent of the Company at M/s. Link Intime India Private Limited, Unit – Eros International Media Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083.
19. Details as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Secretarial Standards on General Meeting (SS-2), in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the Notice. The Director have furnished the requisite declarations for his/her re-appointment.
20. Electronic copy of the Notice convening the 24<sup>th</sup> AGM of the Company, the Annual Report alongwith the process of e-voting and the Attendance Slip, Proxy Form and Ballot Paper are being sent to all the Members whose Email Ids are registered with the Company /Depository Participants for communication purposes

unless any Member has requested for a physical copy of the same. For Members who have not registered their E-mail addresses, physical copies of the Notice convening the 24<sup>th</sup> AGM of the Company, the Annual Report alongwith the process of e-voting and the Attendance Slip, Proxy Form and Ballot Paper are sent in the permitted mode.

21. Members may also note that the Notice convening the 24<sup>th</sup> AGM and the Annual Report 2018 will also be available on the Company's website at [www.erosintl.com](http://www.erosintl.com) and on the website of Central Depository Services (India) Limited (CDSL) at [www.evotingindia.com](http://www.evotingindia.com) for download. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send request to [compliance.officer@erosintl.com](mailto:compliance.officer@erosintl.com)
22. The Certificate from Statutory Auditors of the Company certifying that the Company's Employee Stock Options Schemes are being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, will be available for inspection at the AGM.
23. The route map showing directions to reach the venue of the 24<sup>th</sup> AGM is annexed hereto.
24. Securities of listed companies would be transferred in dematerialised form only, from a cut-off date, to be notified by SEBI. In view of the same, members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company's RTA for assistance in this regard.

## 25. Voting

- I. In compliance with provisions of Section 108 of the said Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its Members, the facility to cast their votes either for or against each resolutions set forth in the Notice of the AGM using electronic voting system from a place other than the venue of the AGM ('remote e-voting'), provided by Central Depository Services (India) Limited ("CDSL") and the business may be transacted through such voting.
- II. Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. Thursday, 20 September 2018, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if a member is already registered with CDSL for e-voting, then he/she can use his/her existing user id and password/PIN for casting the vote.

The instructions for e-voting are as follows:

- i. The voting period begins on Sunday, 23 September 2018 (9.00 a.m.) and ends on Wednesday, 26 September 2018 (5.00 p.m.) During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 20 September 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- ii. The Members should log on to the e-voting website at [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders / Members Tab
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,



- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used
- vii. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
<b>OR</b>	
Date of Birth (DOB)	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for "Eros International Media Limited" on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as

prompted by the system.

- xviii. Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Central Depository Services (India) Limited (CDSL) at Helpdesk: 1800225533.

- III. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper.
- IV. A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- V. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VI. Mr. Makarand Joshi, Practicing Company Secretary, (Membership No. 5533, COP: 3662), Partner of M/s Makarand M. Joshi & Co. has been appointed as the Scrutinizer of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VII. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those Members who are present but have not cast their votes electronically using remote e-voting facility.
- VIII. The Scrutinizer shall immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of atleast two (2) witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizers Report of the total votes cast in favour of or against, if any, and the results of the voting shall be declared not later than Forty Eight (48) hours from the conclusion of the AGM of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of voting forthwith.



IX. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at [www.erosintl.com](http://www.erosintl.com) and on the website of CDSL immediately after the declaration of result by the Chairman or any person authorized by him in writing and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited. The result will also be displayed on the Notice Board of the Company at its Corporate Office and Registered Office.

#### Notes and instructions for voting through Ballot Paper

- i. Members desiring to cast their vote in Ballot Paper are requested to execute the Ballot Paper as per the instructions stated therein and send the same in the enclosed self-addressed postage prepaid envelope.
- ii. The vote can be cast by recording the assent in the Column FOR and dissent in the Column AGAINST by placing a tick mark (✓) in the appropriate column.
- iii. The Member may not use all the votes nor needs to cast all the votes in the same way. Members have their sole discretion as to voting.
- iv. Members can download the Ballot Paper from the link [www.erosintl.com](http://www.erosintl.com) or seek a duplicate Ballot Paper from Link Intime India Private Limited, the Registrar and Transfer Agent from their office at C-101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai - 400 083, fill in the details and send the same to the Scrutinizer.

- v. Kindly note that the Members can opt only one mode of voting i.e. either by Ballot Paper or e-voting. If you are opting for e-voting, then do not vote by Ballot Paper and vice versa. However, in case a Member has voted both in Ballot Paper as well as e-voting, then voting done through e-voting shall prevail and voting done through Ballot Paper will be treated as invalid.
- vi. You are requested to carefully read the instructions printed on the Ballot Paper and return the paper duly completed, in the enclosed self-addressed postage prepaid envelope, so as to reach the Scrutinizer at C-101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai - 400 083 on or before the close of working hours (5.00 p.m.) on Wednesday, 26 September 2018. No other request/ details furnished in the Self Addressed envelope will be entertained.
- vii. The Ballot Papers received after close of working hours (5.00 p.m.), Wednesday, 26 September 2018 will be treated as if the same has not been received from the Member.

By Order of the Board of Directors  
For **Eros International Media Limited**

Sd/-  
**Abhishekh Kanoi**

Vice President- Company Secretary  
and Compliance Officer  
Membership No. – F9530

Date : 23 May 2018  
Place: Mumbai

## EXPLANATORY STATEMENT

## (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 2, 3, 4, 5 and 6 of the accompanying Notice dated 23 May 2018:

**Item No. 2:**

The Board of Directors of the Company at its meeting held on 23 May 2018 and on recommendation of Nomination and Remuneration Committee has re-appointed Mrs. Jyoti Deshpande (DIN 02303283) as Non-Executive Non-Independent Director of the Company, subject to the approval of the Members.

Brief profile of Mrs. Jyoti Deshpande alongwith other details as required to be disclosed under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards- 2 issued by the Institute of Company Secretaries of India, are stated at length below:

<b>Name</b>	<b>Mrs. Jyoti Deshpande</b>
DIN	02303283
Designation	Non-Executive Non-Independent Director
Date of Birth	16 December 1970
Age	47 years
Date of Appointment	1 July 2012
Qualifications	Bachelor's degree in Commerce and Economics, University of Mumbai
Profile	Mrs. Jyoti Deshpande has over 25 years of experience in media and entertainment across advertising, media consulting, television and films. She has been part of the leadership team of Eros International since 2001 and as Group CEO & MD since 2012, she has spearheaded Eros' growth as a global leader in Indian filmed entertainment.
	From 1 April 2018, Mrs. Deshpande has joined Reliance Industries to head the Media and Entertainment business as President of the Chairman's Office. In her new role at Reliance Industries, Mrs. Deshpande will lead the company's initiatives in Media and Entertainment to organically build and grow businesses around the content ecosystem such as Broadcasting, Films, Sports, Music, Digital, Gaming, Animation etc., as well as integrate Reliance Industries' existing media investments such as Viacom, Balaji Telefilms and Eros with a view to build, scale and consolidate the fragmented \$20 billion Indian M&E sector.
	Mrs. Deshpande was featured in the prestigious Fortune India magazine's 50 Most Powerful Women in Business (2017/2015) which celebrates the journeys and triumphs of women who not only impact their organizations but are also thought leaders in their industry.
Directorships held in other companies (as on 23 May 2018)	<ul style="list-style-type: none"> <li>Eros International Plc (Isle of Man)</li> <li>Network18 Media &amp; Investments Limited</li> <li>Balaji Telefilms Limited</li> <li>Saavn Media Private Limited</li> <li>IndiaCast Media Distribution Private Limited</li> </ul>
Last remuneration drawn	₹ 1,15,95,672/- plus ₹ 5,98,50,000/- as perquisite value of ESOP (for FY 2017-18)
Remuneration to be paid	No Remuneration shall be paid to Mrs. Jyoti Deshpande, being Non-Executive Non-Independent Director of the Company.
Memberships/Chairmanships of Committees of other companies	Nil
Number of Board Meetings attended during FY 2017-18	Mrs. Jyoti Deshpande attended all the four (4) Board Meetings held during the financial year 2017-18.
Relationship with other Directors, Key Managerial Personnel	Mrs. Jyoti Deshpande is not related to any Director nor any Key Managerial Personnel of the Company.
Number of shares held in the Company	3,60,000 Equity Shares
Number of Stock Options	2,11,160 Stock Options

It is proposed to seek approval of Members for re-appointment of Mrs. Jyoti Deshpande as Non-Executive Non-Independent Director of the Company in accordance with applicable provisions of the Companies Act, 2013 and applicable Rules made thereto, as amended. Mrs. Jyoti Deshpande is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Except for Mrs. Jyoti Deshpande who is interested in the resolution set out in Item No. 2 of the Notice, none of the other Directors, Key Managerial Personnel's or their relatives are concerned or interested in Item No. 2 above.

The Board recommends the Ordinary Resolution set out at Item No. 2 of the Notice for approval by the Members.

**Item No. 3:**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013, had appointed Mr. Subramaniam Lakshminarayanan (DIN 07972480) as an Additional Independent Director w.e.f. 14 November 2017.

In terms of the provisions of the above Section, Mr. Subramaniam Lakshminarayanan holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice, in writing from a member under Section 160 of the Companies Act, 2013 (as amended) proposing the candidature of Mr. Subramaniam Lakshminarayanan for the office of Director of the Company.

Mr. Subramaniam Lakshminarayanan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

The Company has received a declaration from Mr. Subramaniam Lakshminarayanan that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In opinion of the Board, Mr. Subramaniam Lakshminarayanan fulfils all conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). Mr. Subramaniam Lakshminarayanan is Independent of the Management and possesses appropriate skills, experience and knowledge inter alia, in the field of finance.

Brief profile of Mr. Subramaniam Lakshminarayanan alongwith other details as required to be disclosed under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards- 2 issued by the Institute of Company Secretaries of India, are stated at length below:

<b>Name</b>	<b>Mr. Subramaniam Lakshminarayanan</b>
DIN	07972480
Designation	Independent Director
Date of Birth	19 May 942
Age	76 Years
Date of Appointment	14 November 2017 (as an Additional Independent Non-Executive Director)
Qualifications	Master in Arts (M.A.)
Profile	Mr. Subramaniam Lakshminarayanan joined the Indian Audit and Accounts service in 1965. After holding various positions in the Audit and Accounts Department, he retired as Deputy Comptroller and Auditor General in 2002. During this period, he served in the Ministry of Personnel and Pensions as Additional Secretary and earlier in the Railways and Ministry of Defense in Government of India. As a result of stints in the various ministers, Mr. Subramaniam Lakshminarayanan has gained experience in cadre management, staff welfare, purchases and contracts, financial advice and accounting as well as a good knowledge of the relevant rules and regulations. He has also led offices comprising of as many as 1,500 employees and has also provided direction, guidance and administrative framework. Mr. Subramaniam Lakshminarayanan also has various International experience.
Directorships held in other companies	Nil
Memberships/Chairmanships of Committees of other companies	Nil
Number of Board Meetings attended during FY 2017-18	Mr. Subramaniam Lakshminarayanan was appointed on 14 November 2017 as an Additional Independent Director and attended two (2) Board Meetings and Committee Meetings held after his appointment.
Relationship with other Directors, Key Managerial Personnel	Mr. Subramaniam Lakshminarayanan is not related to any Director nor any Key Managerial Personnel.
Number of shares held in the Company	Nil
Number of Stock Options	Nil

Considering the vast expertise and knowledge, it will be in the interest of the Company that Mr. Subramaniam Lakshminarayanan be appointed as an Independent Director of the Company for first term of Five (5) years.

Except for Mr. Subramaniam Lakshminarayanan who is interested in the resolution set out in Item No. 3 of the Notice pertaining to his appointment as an Independent Director, none of the Directors or Key Managerial personnel's (KMP) or their relatives are anyway concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

In accordance with the recent amendments to SEBI Listing Regulations pursuant to Kotak Committee Recommendations, the Board recommends the appointment of Mr. Subramaniam Lakshminarayanan by way of Special Resolution set out at Item No. 3 of the Notice for approval by the Members, since the age of Mr. Subramaniam Lakshminarayanan is above 75 years.

#### Item No. 4:

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013, had appointed Mr. Sunil Srivastav (DIN 00237561) as an Additional Independent Director w.e.f. 23 May 2018.

In terms of the provisions of the above Section, Mr. Sunil Srivastav holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 (as amended) proposing the candidature of Mr. Sunil Srivastav for the office of Director of the Company.

Mr. Sunil Srivastav is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 (as amended) and has given his consent to act as a Director.

The Company has received a declaration from Mr. Sunil Srivastav that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In opinion of the Board, Mr. Sunil Srivastav fulfils all conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). Mr. Sunil Srivastav is Independent of the Management and possesses appropriate skills, experience and knowledge inter alia, in the field of finance.

Brief profile of Mr. Sunil Srivastav alongwith other details as required to be disclosed under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards- 2 issued by the Institute of Company Secretaries of India, are stated at length below:

<b>Name</b>	<b>Mr. Sunil Srivastav</b>
DIN	00237561
Designation	Independent Director
Date of Birth	21 March 1958
Age	60 Years
Date of Appointment	23 May 2018 (as an Additional Independent Non Executive Director)
Qualifications	B.Sc (Honors) from Delhi University and Masters of Management Studies, F.M.S. from Benaras Hindu University.
Profile	<p>Mr. Sunil Srivastav aged 60 years was a Dy. Managing Director - Corporate Accounts Group in State Bank of India. He was responsible for large corporate credit exposure including project and infrastructure financing for the bank. He holds a proven track record in his various roles in different capacities at SBI which include DMD - CSNB, CGM - Kolkata and GM - Delhi.</p> <p>During his esteemed tenure at SBI, as DMD - CSNB, he has overseen initiating the Bank's foray into digital delivery of financial products and services including but not limited to areas like wealth management, an e-wallet and the next generation mobile banking solution and initiation of SBI's foray into new lines of businesses including identification and negotiation with global JV partners.</p> <p>As CGM - Kolkata at SBI, Mr. Srivastav was tasked with managing and growing operations of a network of 1450 offices in Bengal, Sikkim and Andaman &amp; Nicobar. His role included evolving business strategy, improving operational efficiency, delivering the bank's products and services to a diverse base of wholesale and retail customers. He was at the time responsible for a workforce of 18,000 employees across different business verticals.</p> <p>In his early years as GM - Delhi at SBI, he was in charge of the bank's network in North India. This included a specialised business vertical that was focused on mid-size corporate clients and an assignment that involved growing the bank's business in the difficult mountainous terrain in the State of Uttarakhand.</p>
Directorships held in other companies	Paisalo Digital Limited
Memberships/Chairmanships of Committees of other companies	Nil
Number of Board Meetings attended during FY 2017-18	Mr. Sunil Srivastav was appointed as an Additional Independent Non Executive Director at the Board Meeting held on 23 May 2018 and has attended the said Board Meeting.
Relationship with other Directors, Key Managerial Personnel	Mr. Sunil Srivastav is not related to any Director nor any Key Managerial Personnel.
Number of shares held in the Company	Nil
Number of Stock Options	Nil

Considering the vast expertise and knowledge, it will be in the interest of the Company that Mr. Sunil Srivastav be appointed as Independent Director of the Company for first term of Five (5) years.

Except for Mr. Sunil Srivastav who is interested in the resolution set out in Item No. 4 of the Notice pertaining to his appointment as an Independent Director, none of the Directors or Key Managerial personnel's (KMP) or their relatives are anyway concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

#### **Item No. 5:**

Pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 and applicable Rules made thereto and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), all material transactions with related party requires approval of the Shareholders of the Company through Ordinary Resolution and the related parties shall abstain from voting on such resolutions. The Company's transactions with its subsidiary company viz. Reliance Eros Productions LLP falls under the term "Material Transaction" i.e. any transaction entered either individually or taken together with previous transactions during a financial year, exceeds Ten (10) percent of the annual consolidated turnover of the Company. Reliance Eros Productions LLP is also a related party in terms of Section 2(76) of the Companies Act, 2013. Particulars of the Contracts/ arrangements/ transactions as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014, as amended, are as under:

**(a) Name of the Related Party:** Reliance Eros Productions LLP

**(b) Nature of Relationship:** Subsidiary Company

**(c) Name of the Director or Key Managerial Personnel who is related, if any:** Mr. Farokh P. Gandhi, representing as Designated Partner

- (d) **Nature, material terms, monetary value and particulars of the contract or arrangement:** For production of cinematograph films (in Hindi and other regional and foreign languages) and original television and digital programmes for an estimated amount of ₹500 crores in each financial year on such terms and conditions as determined by the Board of Directors of the Company and partners of Reliance Eros Productions LLP from time to time. The transactions with Reliance Eros Productions LLP are made in ordinary course of business and at arms length basis.
- (e) **Any other information relevant or important for the members to take a decision on the proposed resolution:** The proposed related party transaction are in accordance with the Related Party Transactions Policy of the Company and approved and recommended by the Audit Committee and Board of Directors of the Company.

As per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not, wherein approval of material related party transactions is sought from the shareholders. Accordingly, the Key Managerial Personnel of the Company as stated here in above is concerned or interested in the said resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval by the Members.

#### Item No. 6:

Pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 and applicable Rules made thereto and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), all material transactions with related party requires approval of the Shareholders of the Company through Ordinary Resolution and the related parties shall abstain from voting on such resolutions. The Company's transactions with its group company viz. Eros Digital FZ LLC falls under the term "Material Transaction" i.e. any transaction entered either individually or taken together with previous transactions during a financial year, exceeds Ten (10) percent of the annual consolidated turnover of the Company. Eros Digital FZ LLC is also a related party in terms of Section 2(76) of the Companies Act, 2013. Particulars of the Contracts/ arrangements/ transactions as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014, as amended, are as under:

- (a) **Name of the Related Party:** Eros Digital FZ LLC
- (b) **Nature of Relationship:** Fellow Subsidiary Company
- (c) **Name of the Director or Key Managerial Personnel who is related, if any:** Mrs. Rishika Lulla Singh is a Director of Eros Digital FZ LLC and she is daughter of Mr. Kishore Arjan Lulla.
- (d) **Nature, material terms, monetary value and particulars of the contract or arrangement:** Acquisition and distribution of digital rights and other related expenses/matter for an estimated amount of ₹ 300 crores in each financial year on such terms and conditions as determined by the Board of Directors from time to time. The transaction with Eros Digital FZ LLC are made in ordinary course of business and at arms length basis.
- (e) **Any other information relevant or important for the members to take a decision on the proposed resolution:** The proposed related party transaction are in accordance with the Related Party Transactions Policy of the Company and approved and recommended by the Audit Committee and Board of Directors of the Company.

As per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not, wherein approval of material related party transactions is sought from the shareholders. Accordingly, Mr. Kishore Arjan Lulla, Director of the Company as stated here in above is concerned or interested in the said resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 6 of the Notice for approval by the Members.

By Order of the Board of Directors  
For **Eros International Media Limited**

Sd/-  
**Abhishekh Kanoi**

Vice President- Company Secretary  
and Compliance Officer  
Membership No. – F9530

Date : 23 May 2018  
Place: Mumbai

#### Registered Office:

M/s. Eros International Media Limited  
201, Kailash Plaza,  
Opp. Laxmi Industrial Estate,  
Off. Andheri Link Road,  
Andheri West, Mumbai 400 053,  
Maharashtra (India)

#### Corporate Office:

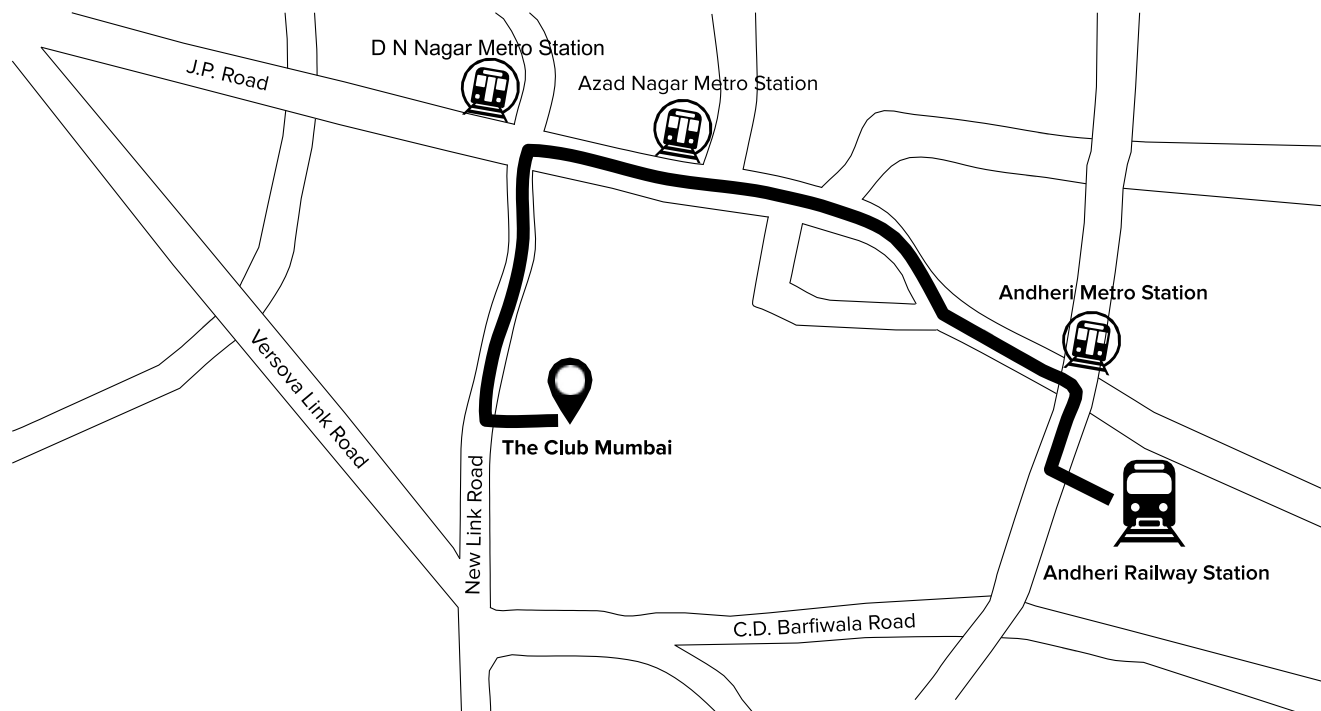
M/s. Eros International Media Limited  
901/902, Supreme Chambers,  
Off. Veera Desai Road, Andheri West,  
Mumbai 400 053, Maharashtra (India).  
Tel: +91 22 66021500  
Fax No.: +91 22 66021540  
Email: [compliance.officer@erosintl.com](mailto:compliance.officer@erosintl.com)

#### Registrar and Transfer Agent:

M/s. Link Intime India Private limited  
Unit: Eros International Media Limited,  
C-101, 247 Park, L.B.S Marg,  
Vikhroli West, Mumbai 400 083.  
Maharashtra (India)  
Tel: +91 22 49186270  
Fax No.: +91 22 49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) /  
[mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)



**ROUTE MAP FOR VENUE OF ANNUAL GENERAL MEETING OF EROS INTERNATIONAL MEDIA LIMITED**



**Venue: 'The Club', DN Nagar, Andheri West, Mumbai 400 053.**  
**Prominent Landmark: Juhu Circle**



**Eros International Media Limited**

CIN: L99999MH1994PLC080502

**Registered Office Address:** 201, Kailash Plaza, Opp. Laxmi Industrial Estate,  
Off. Andheri Link Road, Andheri West, Mumbai-400 053, Maharashtra (India)

**Corporate Office:** 901/ 902, Supreme Chambers, Off Veera Desai Road, Andheri West, Mumbai 400 053, Maharashtra (India)  
Phone: +91 22 66021500 | Fax: +91 22 66021540 | Email: [compliance.officer@erosintl.com](mailto:compliance.officer@erosintl.com) | Website: [www.erosintl.com](http://www.erosintl.com)

**ATTENDANCE SLIP**

**(To be presented at the entrance of the meeting hall)**

24<sup>th</sup> Annual General Meeting on Thursday, 27 September 2018 at 2.00 P.M.  
at 'The Club', D N Nagar, Andheri West, Mumbai - 400 053.

Folio No. .... DP ID No. .... Client ID No. ....

Name of the Member ..... Signature.....

Name of the Proxyholder..... Signature.....

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.



**Proxy Form – Form MGT- 11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN : L99999MH1994PLC080502

Name of the Company : EROS INTERNATIONAL MEDIA LIMITED

Registered Office : 201, Kailash Plaza, Opp. Laxmi Industrial Estate, Off. Andheri Link Road, Andheri West, Mumbai - 400 053,  
Maharashtra (India)

Name of the member (s) :

Registered Address :

E-mail ID :

Folio No/ Client ID :

DP ID :

I/We, being the member(s) of ..... shares of Eros International Media Limited, hereby appoint:-

1. .... of ..... having email id ..... or failing him
2. .... of ..... having email id ..... or failing him
3. .... of ..... having email id ..... or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 27 September 2018 at 2.00 p.m. at 'The Club', D N Nagar, Andheri West, Mumbai - 400 053, Maharashtra (India), and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\*I wish my above proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	Optional	
		For	Against
ORDINARY BUSINESS			
1	To receive, consider and adopt (a) Audited Financial Statements of the Company for the year ended 31 March 2018 together with Report of the Directors' and Auditors thereon & (b) Audited Consolidated Financial Statements for the year ended 31 March 2018 together with the Auditors Report thereon.		
2	To appoint a Director in place of Mrs. Jyoti Deshpande (DIN 02303283), who retires by rotation, and being eligible, offers herself for re-appointment.		
SPECIAL BUSINESS			
3	Appointment of Mr. Subramaniam Lakshminarayanan (DIN 07972480), as an Independent Director not liable to retire by rotation, to hold office for a term of Five (5) consecutive years from the date of this 24 <sup>th</sup> Annual General Meeting.		
4	Appointment of Mr. Sunil Srivastav (DIN 00237561), as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of Five (5) consecutive years from the date of this 24 <sup>th</sup> Annual General Meeting.		
5	Approval of Material Related Party Transactions between the Company and Reliance Eros Productions LLP		
6	Approval of Material Related Party Transactions between the Company and Eros Digital FZ LLC		

Signed this..... day of ..... 2018

Signature of shareholder

Affix  
Revenue  
Stamp

Signature of First Proxy Holder

Signature of Second Proxy Holder

Signature of Third Proxy Holder

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Corporate Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) A Proxy need not be a member of the Company.
- 3) A person can act as a proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) \*\*This is optional. Please put a (✓) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

# Credits

## Corporate Information

### Board of Directors

**Mr. Dharendra Swarup,**

Non - Executive Chairman & Independent Director

DIN: 02878434

**Mr. Sunil Arjan Lulla,**

Executive Vice Chairman & Managing Director

DIN: 00243191

**Mr. Kishore Arjan Lulla,**

Executive Director

DIN: 02303295

**Mr. Rakesh Sood,**

Non-Executive Independent Director

DIN: 07170411

**Mrs. Jyoti Deshpande,**

Non-Executive, Non-Independent

DIN: 02303283

**Mr. S. Lakshminarayan,**

Non-Executive Independent Director

DIN: 07972480

**Mr. Sunil Srivastav,**

Non-Executive Independent Director

DIN: 00237561

**Mr. Naresh Chandra,**

Non-Executive Chairman, Independent Director

DIN: 00015833

(Mr. Naresh Chandra ceased to be the Chairman and Non-Executive Independent Director upon his sudden demise on 9 July, 2017)

### Group Chief Financial Officer (India)

Mr. Farokh P. Gandhi (w.e.f. 9 March 2018)

Mr. Dinesh Modi (upto 8 March 2018)

### Vice President - Company Secretary & Compliance Officer

Mr. Abhishekh Kanoi (w.e.f. 15 December 2017)

Mrs. Dimple Mehta (upto 14 December 2017)

### Statutory Auditors

M/s. Chaturvedi & Shah

Chartered Accountants

(Firm Registration No. 101720W)

### Corporate Identification Number (CIN):

L99999MH1994PLC080502

### Bankers

State Bank of India (Lead Bank)

IDBI Bank Limited

Indian Overseas Bank

Punjab National Bank

Oriental Bank of Commerce

Union Bank of India

Bank of Baroda

Dena Bank

### Corporate Office

901/902, Supreme Chambers

Off. Veera Desai Road

Andheri West

Mumbai - 400 053

Maharashtra (India)

Tel: +91 22 66021500; Fax: +91 22 66021540

Email: [compliance.officer@erosintl.com](mailto:compliance.officer@erosintl.com)

Website: [www.erosintl.com](http://www.erosintl.com)

### Registrar & Share Transfer Agent

M/s. Link Intime India Private Limited

Unit: Eros International Media Limited

C 101, 247 Park

LBS Marg, Vikhroli West

Mumbai 400 083

Maharashtra (India)

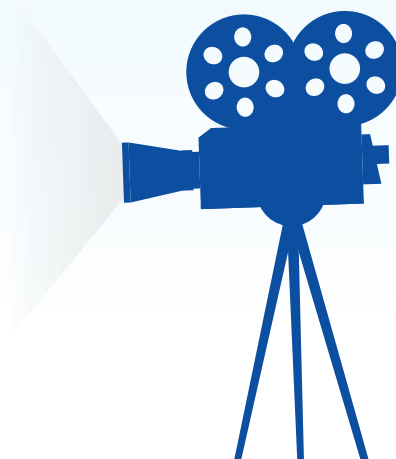
CIN: U67190MH1999PTC118368

Tel: +91 22 4918 6000; Fax: +91 22 4918 6060

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in),

[mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)





**EROS INTERNATIONAL MEDIA LIMITED**

CIN: L99999MH1994PLC080502

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Off. Andheri Link Road, Andheri West,  
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