



**CONTENT**  
MULTIPLE CONTENT  
MONETISATION  
CHANNELS

**REGIONAL  
CINEMA**  
HINDI AND REGIONAL  
PLAY

**EXPANDING  
REACH**  
DIGITAL IN FOCUS

**TALENT  
RELATIONSHIPS**  
LONG-STANDING TALENT  
RELATIONSHIPS



EROS INTERNATIONAL MEDIA LIMITED PRESENTS

# A WINNING SCRIPT

CARRYING THE HALLMARK OF CREDIBILITY, CONSISTENCY AND SUPERIOR CONTENT, EROS HAS CAPTURED THE WORLD'S IMAGINATION WITH POWERFUL FILMS. WE INSPIRE, ENGAGE AND DELIGHT GENERATIONS. WE JUST DON'T EMBRACE THE FUTURE, WE SCRIPT IT.



ANNUAL REPORT 2014-15

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**Forward-looking Statement**

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.



Entertainment is a dynamic business. Viewer preferences change more rapidly than in any other field, and there is no 'one-size-fits-all' approach that one can follow. However, much depends on the manner in which the underlying script is crafted and executed. Despite the vagaries of the operating environment, a good script always carries the day and proves successful.

This philosophy is at the heart of how we view our business at Eros International. We believe that we must fortify our enterprise with the right business model and diligent execution. We keep in focus the emerging aspirations of the viewers, and strive to take steps that will reinforce our longstanding leadership and create superior stakeholder value.

For us, a winning script means an integrated business model, multiple revenue streams for content monetisation, expanding into regional cinema, long-standing partnerships with key talent and a global distribution presence. This ensures scale of operations as well as a diversified, risk-managed operating model.

Simultaneously, we are preparing for the digital paradigm with an anytime, anywhere content access, and creating newer avenues for growth.

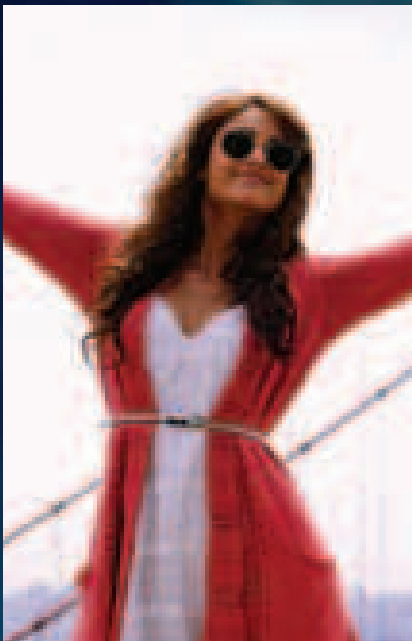
**At Eros, we are consistently investing in strengthening our winning script!**

# EROS – A Preview

**EROS INTERNATIONAL MEDIA LIMITED (EROS INTERNATIONAL) IS A LEADING GLOBAL COMPANY IN THE INDIAN FILM ENTERTAINMENT INDUSTRY. WE CO-PRODUCE, ACQUIRE AND DISTRIBUTE INDIAN LANGUAGE FILMS IN MULTIPLE FORMATS WORLDWIDE, INCLUDING THEATRICAL, CABLE, SATELLITE AND DIGITAL NEW MEDIA PLATFORMS.**

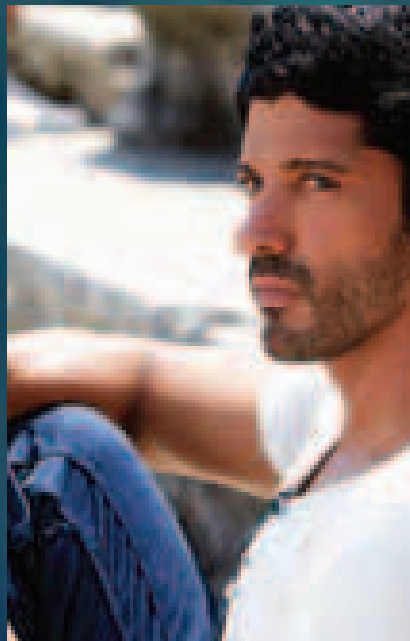
Our success largely revolves around the relationships that have been cultivated over the past three decades with leading talent, production companies, exhibitors and other key participants in our industry.

We distribute content globally through multiple distribution channels: theatrical, which includes multiplex chains and stand-alone theatres; television syndication, which includes satellite television broadcasting, cable television and terrestrial television; and digital, which includes primarily Internet protocol television, video-on-demand, Internet channels and ErosNow.



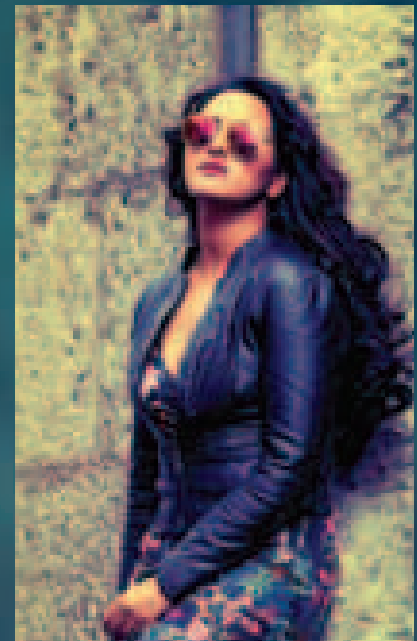
**210+**

NEW RELEASES OVER THE  
LAST THREE FISCAL YEARS



**2,000+**

MOVIE LIBRARY



FILM CONTENT ACROSS  
HINDI AND REGIONAL  
LANGUAGES



### KEY COMPETITIVE STRENGTHS

- Co-producer and acquirer of new Indian film content, with an extensive film library
- Enduring relationships with leading talent for compelling co-production film slate
- Multi-channel global distribution network spanning 50+ countries
- Diversified revenue streams and pre-sale strategies to mitigate risk and promote cash flow generation
- Strong and experienced management team

**50+**

COUNTRIES WITH MULTI-CHANNEL GLOBAL DISTRIBUTION

**25+**

LANGUAGES WITH SUBTITLED/DUBBED CONTENT

**7**

LANGUAGES FILM RELEASES

**14+**

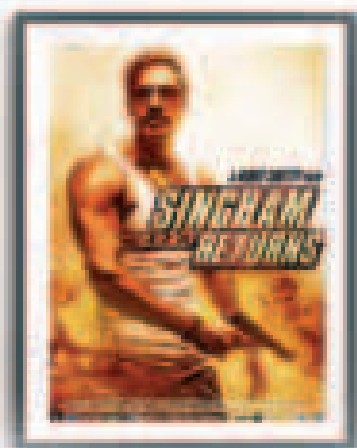
MILLION SUBSCRIBERS FOR EROSNOW IN INDIA

PARENT, EROS INTERNATIONAL PLC, IS THE 1<sup>ST</sup> INDIAN MEDIA COMPANY TO SUCCESSFULLY LIST ON THE NYSE IN NOVEMBER, 2013

# The FY2015 Big Picture

## Major Releases during FY2015

FILM NAME	STAR CAST/ (DIRECTOR)	RELEASE DATE (QUARTER)
NH10	Anushka Sharma (Navdeep Singh)	Q4 FY2015
Tevar	Arjun Kapoor, Sonakshi Sinha, Manoj Bajpayee (Amit Sharma)	Q4 FY2015
Badlapur	Varun Dhawan, Nawazuddin Siddiqui (Sriram Raghavan)	Q4 FY2015
Shamitabh	Dhanush, Amitabh Bachchan (R Balki)	Q4 FY2015
Action Jackson	Ajay Devgan, Sonakshi Sinha (Prabhu Dheva)	Q3 FY2015
Happy Ending	Saif Ali Khan, Ileana D'Cruz (Raj Nidimoru, Krishna D.K.)	Q3 FY2015
Lingaa (Multilingual)	Rajinikanth, Sonakshi Sinha, Anushka Shetty (K.S. Ravikumar)	Q3 FY2015
Kaththi (Tamil)	Vijay, Samantha Ruth Prabhu (A. R. Murugadoss)	Q2 FY2015
Aagadu (Telugu)	Mahesh Babu, Tamannaah (Srinu Vaitla)	Q2 FY2015
Singham Returns (Overseas)	Ajay Devgan, Kareen Kapoor (Rohit Shetty)	Q2 FY2015
Mary Kom (Overseas)	Priyanka Chopra (Omung Kumar)	Q2 FY2015



FILM NAME	STAR CAST/ (DIRECTOR)	RELEASE DATE (QUARTER)
<b>Ek Villain</b> (Overseas)	Siddharth Malhotra, Shraddha Kapoor (Mohit Suri)	Q1 FY2015
<b>Main Tera Hero</b> (Overseas)	Varun Dhawan, Ileana D'Cruz (David Dhavan)	Q1 FY2015
<b>Kochadaiiyaan</b> (Multilingual)	Rajinikanth, Deepika Padukone (K.S. Ravikumar)	Q1 FY2015

### Top 2 Releases in Calendar Year 2015 are Eros Films

RANK	FILM NAME	LEAD STARS/ (DIRECTOR)	INDIA NET BOX OFFICE (₹ in Million)
1	<b>Bajrangi Bhaijaan</b>	Salman Khan, Kareena Kapoor (Kabir Khan)	2,407.2*
2	<b>Tanu Weds Manu Returns</b>	Kangana Ranaut, R. Madhavan, (Anand L. Rai)	1,512.6

\*First 10 days, still running successfully

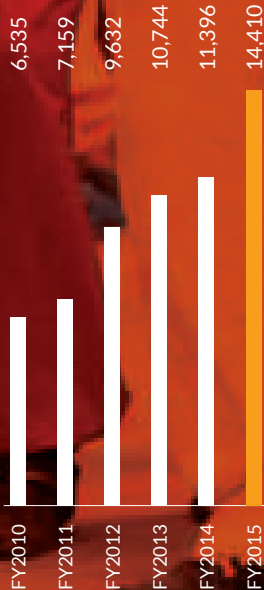




# Consistently Delivering the Hits

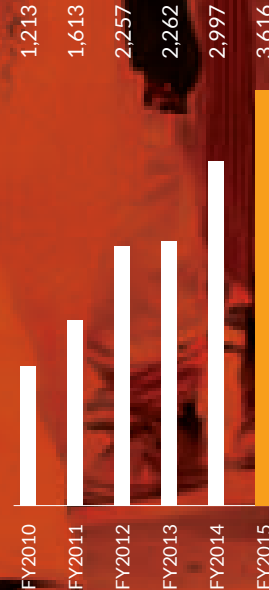


**Revenue**  
(₹ in Million)



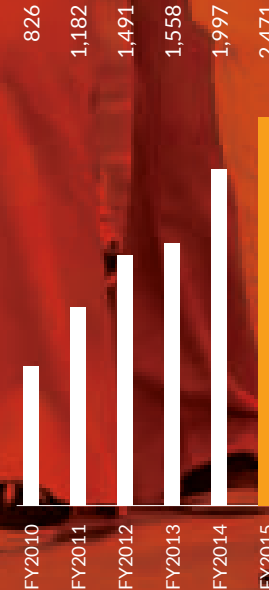
CAGR 17.1% ▲

**EBIT**  
(₹ in Million)



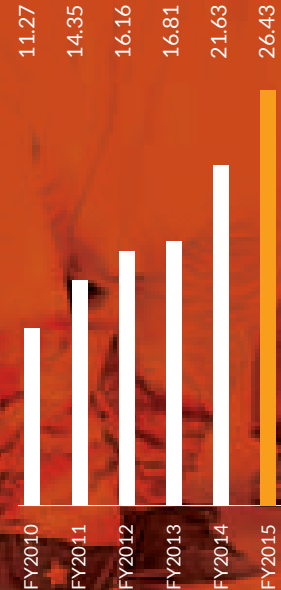
CAGR 24.4% ▲

**Profit After Tax**  
(₹ in Million)



CAGR 24.5% ▲

**Diluted EPS**  
(₹)



CAGR 18.6% ▲



₹14,410 mn

TOTAL INCOME

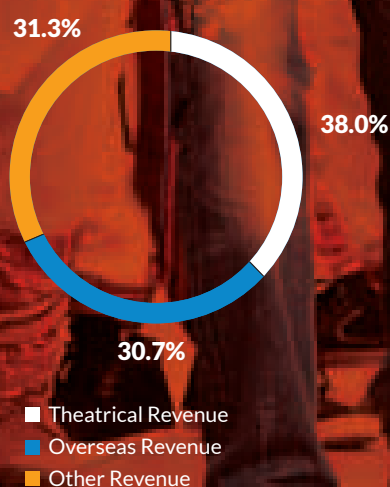
₹ 3,616 mn

EBIT

₹ 2,471 mn

PROFIT AFTER TAX

Diversified  
Revenue Mix (%)



Total Income increased by **26.4% to ₹ 14,410 million in FY2015**, compared to ₹ 11,396 million in FY2014 on account of new film releases and robust monetisation of catalogue films.

EBIT increased by **20.6% to ₹ 3,616 million in FY2015** from ₹ 2,997 million in FY2014, backed by higher revenues and strong contribution from high-margin catalogue sales.

In FY2015, profit after tax increased by **23.7% to ₹ 2,471 million**, compared to ₹ 1,997 million in FY2014.

# Executive Vice Chairman & Managing Director's Message

**Today, our consolidated position as a market leader has been achieved primarily due to our experienced management team and the best industry talent.**

**Dear Shareholders,**

FY2015 was a landmark year for the Company; and I am delighted to report that our overall performance has been extremely encouraging. It reflects the strength of our strategy in investing in content-driven films and leveraging our distribution rights on a multi-territory, multi-platform basis. Today, Eros stands on the threshold of a significant opportunity. India's Media & Entertainment sector is evolving like never before, and so are the viewing preferences of audiences. The challenge is to feel the pulse of the new-age audience, innovate aggressively and provide engaging entertainment with an edge.

India's Media and Entertainment (M&E) market is poised to grow at a CAGR of 13.9% from ₹ 1,026 billion in FY2014 to reach ₹ 1,964 billion by FY2019. Digital media advertising in India grew by 44.5% in FY2014. The sector is also taking a cue from the current Government's optimistic outlook on business sentiment, strengthened by a strong vision of Digital India and taking the right initiatives to create Broadband Highways, Universal Access to Phones, Public Internet Access Programmes etc.

The industry is on the cusp of a strong phase of growth, driven by media convergence and rising discretionary spends. Category-A films in Bollywood continue to hold sway over the film industry. It is likely to be driven by increased consumption in Tier 2 and Tier 3 cities, along with continuous expansion of regional media and new digital media businesses.

Equipped with a strong balance sheet size, scale, robust content and distribution strategy, Eros will continue to lead by capitalising on each and every opportunity that presents itself. We have a well organised, dynamic business model that allows us to release new films every year; and also steadily enrich our film library.

Moreover, new film distribution across theatrical, television and digital channels, along with monetisation of the entire library provides us with diversified revenue streams.



We co-produce, acquire and distribute Indian films that have an immense appeal to a diverse audience spectrum. We have adopted the strategy to source content from multiple producers / co-producers simultaneously, which in turn allows us to build our film slate aggressively.

The relationships that we have cultivated with leading talent and production houses, over decades, has enabled us to succeed in a consistently evolving industry. It has led us to build an enormous library of over 2,000 films comprising of Hindi as well as non-Hindi language films (Tamil, Telugu, Kannada, Marathi, Punjabi and other regional films). The library consists of recent as well as classic titles spanning different genres, budget and languages.

Our performance during the year enabled us to reinforce our industry leadership. Revenues grew by 26.4% to ₹ 14,410 million. These were driven by the box office successes of high-profile films like 'NH10', 'Badlapur', 'Tevar', 'Mary Kom', 'Ek Villian', 'Singham Returns', 'Lingaa', 'Kochadaiyaan and Kaththi'. A total of 64 films were released during the year including 44 Hindi and 20 Tamil/ Telugu films. The extensive film library of over 2,000 films has been increasing its contribution year on year and in FY2015 catalogue revenue contributed to 22% of the total income. Our EBIT, during the year, increased by 20.6% to ₹ 3,616, million, driven by higher revenues and strong contribution from high-margin catalogue sales.

We have excellent distribution capabilities that allow us to reach out to audiences in more than 50 countries accessing the South Asian diaspora. These countries have significant demands for subtitled or dubbed Indian-themed entertainment. We seek to take advantage of our brand equity in Hindi films and thereby increase our non-Hindi film business by targeting regional audiences.

Technology is enabling innovation and more convenient ways to consume content, in turn creating new revenue opportunities. In a changing media landscape, access to high-quality and differentiated content that consumers demand remains key to success. With the digital paradigm being the future of entertainment, we are focused on soon reaching a stage where we will benefit from digital revenues from ErosNow, a platform owned by our parent company. ErosNow is at the forefront of this digital revolution, with full access to largest Indian film library, music, catch up TV, and original content offering endless entertainment.

In addition to our promising upcoming film slate, we have launched a new motion pictures label called Trinity Pictures, with a focus of making franchise films. This label, we believe, will broaden audiences and help us in developing new revenue streams such as games and merchandising.


Today, our consolidated position as a market leader has been achieved primarily due to the experienced management team and the best industry talent we have and keep building on. The Eros management team consists of highly qualified and knowledgeable professionals with relevant industry experience and together we are working towards building your Company.

Before I conclude, let me thank all of you for your continued support and encouragement. We are committed to grow and create more value for all stakeholders with a renewed sense of optimism, confidence and ambition.

Warm Regards,

**Sunil Lulla**  
Executive Vice Chairman and Managing Director



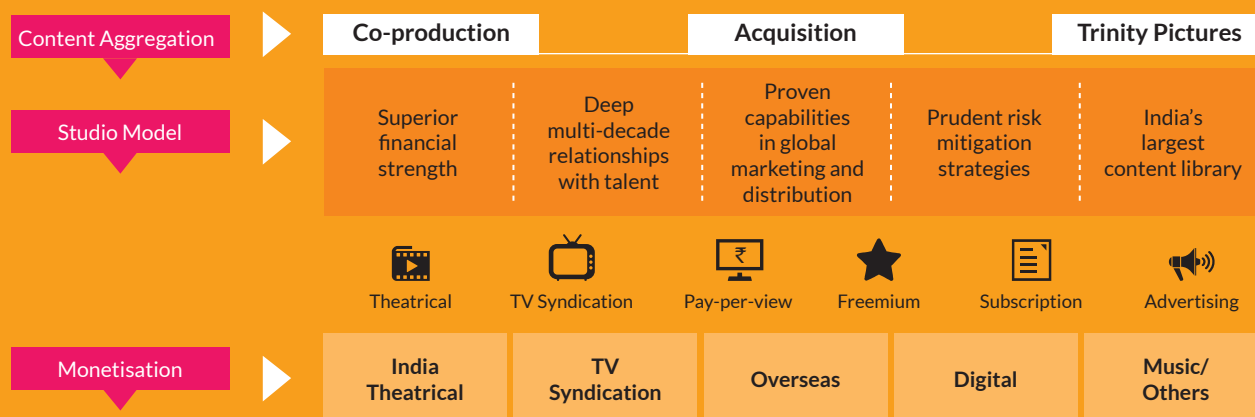


EROS'S MODEL OF  
ACQUIRING OR  
CO-PRODUCING  
FILMS ALLOWS IT TO  
SCALE WITHOUT ANY  
CONSTRAINTS

**A Winning Script...**

...embracing emotions to  
deliver strong content

Attaining and sustaining industry leadership requires effective control over the entire value chain and an ability to leverage expertise across all facets. We pioneered India's first vertically integrated studio model allowing us to help create, distribute and monetise entertainment content in a way that is best aligned to viewer preferences.



We regulate content through co-productions and output deals with production houses and talent; and by controlling global distribution channels across all multimedia formats.

We generate revenues across all phases of the film-release cycle and have adopted a successful multi-platform content-monetisation model, ensuring revenue generation even a year after the film's release.

We acquire films either through a licence agreement for films produced by others, or by co-producing films with a production house on a project basis.

We obtain exclusive global distribution rights in all media for a minimum period of 5-20 years in case of acquisitions and own perpetual rights in case of co-productions from

the initial Indian theatrical release date. Our primary focus is on sourcing a diversified portfolio of films that can be commercially successful. We generally co-produce high-budget films and acquire rights to medium and low budget films.

Our model of acquiring or co-producing films allows it to scale without any constraints and engage with a broad range of industry talent simultaneously. This is because the lead in the production process, which is time and manpower intensive, is taken by the independent or co-producer.

Our growth engines are diverse: theatrical, television, overseas revenues, digital, music and others such as in-flight entertainment, hotels and broadband syndication. Even as the media and entertainment industry evolves through new technologies

and changing consumer preferences, Eros remains strong at the industry forefront.

Over the years, we have extended our business model to cover high and mid-budget Hindi films, together with a significant presence in regional cinema, across various languages. This enables us to leverage the vast market for entertainment content, helps us mitigate risks and enables us to cast a wider net from a monetisation perspective.



20

TAMIL/ TELUGU FILMS  
RELEASED OUT OF  
TOTAL 64 FILMS

## A Winning Script...

...means engaging cultures,  
ages and gender

**Diversity is one of the most compelling realities in India. It adds vibrancy and richness to life and all creative endeavours, especially media and entertainment. At Eros, we have been able to grow our non-Hindi film business by targeting regional audiences. This growth is backed by our financial capabilities, scale of operations, along with engaging content and innovative distribution strategy.**

## **WE ARE FOCUSING ON TAMIL AND TELUGU FILMS, AS THEY ARE THE NEXT BIGGEST MARKET AFTER HINDI FILMS**

The regional film industry has tremendous growth potential. FY2014 was a landmark year for regional cinema as the number of regional films produced reached an all-time high (287 Tamil language films; 255 Telugu films compared to 216 Hindi films.)<sup>1</sup>

Industry growth drivers (increased multiplex penetration, digitization of single-screen theatres, focus on marketing and improvement in production quality) suggest an increase in market opportunities for regional films.

We have been progressively increasing our presence in regional films in both domestic as well as international markets. Currently, we are focusing more on Tamil and Telugu films, as they are the next biggest market after Hindi films.

We also plan to grow our presence in Malayalam, Marathi, Punjabi and other languages. We enter into minimum guarantee deals with regional/smaller distributors in southern markets.

Minimum guarantee for distribution in select regions, along with pre-sales of TV satellite rights enable us to recover 70-100% of the cost of the film before the release. During the year, we released 20 Tamil/Telugu films of the total 64 films released. Films such as 'Lingaa', 'Kaththi' and 'Aagadu' performed well at the box office.

We intend to use our existing distribution network across India to distribute regional language films to specific territories. While Hindi language films hold a broad appeal across India, the diversity of languages within India allows us to treat regional language markets as distinct markets, where particular regional language films have a strong following.

### **Number of films produced in India during FY2014**

**287**  
TAMIL FILMS

**255**  
TELUGU FILMS

**216**  
HINDI FILMS

<sup>1</sup>FICCI-KPMG Indian Media and Entertainment Industry Report 2015





WE OWN AND  
LICENSE RIGHTS TO  
FILMS PRODUCED IN  
SEVERAL REGIONAL  
LANGUAGES,  
INCLUDING TAMIL,  
TELUGU, KANNADA,  
MARATHI AND  
PUNJABI

**A Winning Script...**

...creating legends and value  
spanning decades

**Multiple windows of opportunity, existing and emerging, enhance our ability to create consistent value, notwithstanding industry and economic volatilities.**

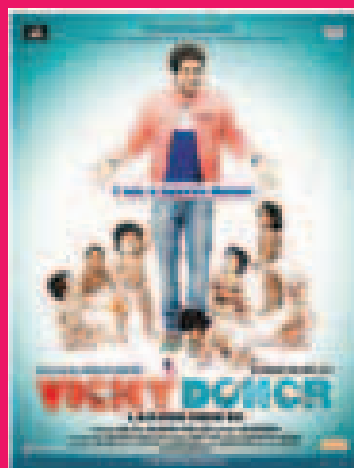
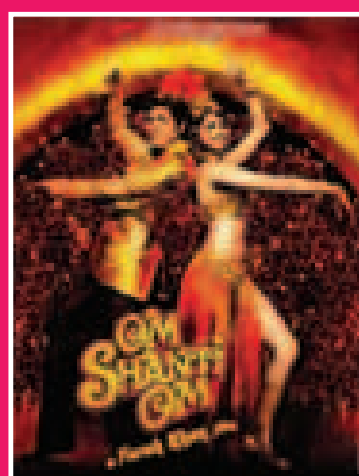
**We monetise every new film on an initial 12-month revenue cycle commencing from the film's theatrical release date. Upon completion of the cycle, the film becomes a part of the library. Thereafter, we effectively carry out the monetisation of film catalogues through various platforms.**

We have built a strong library of 2,000+ films that includes some of the most desirable content in India. Over the years, contribution from the library increased to 22% in FY2015 from 10% in FY2012 indicating its growing value as TV penetration and cable & DTH subscribers increase.

Some of the notable hits include 'Om Shanti Om', 'Vicky Donor', 'Goliyon Ki Raasleela Ram-Leela' and 'Tanu Weds Manu Returns'. The catalogue is well-diversified across genre, budgets and languages. We own or license rights to films produced in several regional languages, including Tamil, Telugu, Kannada, Marathi and Punjabi.

By consistently increasing the size of the film library, we are well positioned to offer content deals that allows us to create the right value proposition for our platform partners.

### **CONTRIBUTION FROM THE LIBRARY IS INCREASING WITH GROWTH IN TV PENETRATION AND CABLE AND DTH SUBSCRIBERS**



**2,000+**

FILMS IN LIBRARY

**22%**

LIBRARY CONTRIBUTION  
IN FY2015

A close-up photograph of two women singing into a vintage, silver, ribbed microphone. The woman on the left has dark hair pulled back and is wearing a dark, shimmering top. The woman on the right has dark, curly hair and is wearing a light-colored, patterned top. They are both looking towards the camera with slight smiles. The background is blurred, showing warm, golden lights, suggesting a stage or concert setting.

WE DISTRIBUTE OUR  
FILMS GLOBALLY IN  
DUBAI, SINGAPORE,  
USA, UK, AUSTRALIA  
AND FIJI

## A Winning Script...

...captures the hearts of  
audiences around the world

**Customised entertainment for a dynamic audience is the new mantra. Therefore, we acknowledge the need for tailor-made marketing forums to draw audiences and increase viewership. Our innovative marketing initiatives have been important to our ongoing success.**

#### Theatrical

We distribute to Indian multiplexes and single screens through our internal distribution offices in Mumbai, Delhi and Punjab and also through sub-distributors. We distribute our films globally through our parent company, which has offices in Dubai, Singapore, USA, UK, Australia and Fiji.

Our internal distribution network allows us greater control, transparency and flexibility across our distribution regions. Such a strategy results in higher profit margins.

#### Television

We have licensed content to major Indian television channels, such as Sony, Star Network, Colors and Zee. Our content is typically released on satellite television three to six months after the initial release in theatres. We license Indian film content for broadcasting on major channels and platforms around the world through our parent company.

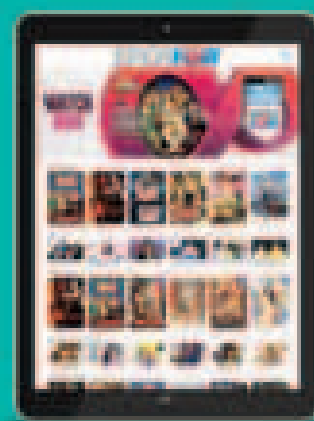
#### Digital Distribution

Through our parent, Eros International Plc, we have access to a global network for the digital distribution of our content, which consists of full length films, music, videos, clips and other video content. We distribute content primarily in IPTV, VOD (including SVOD and DTH) and online internet channels. ErosNow, our parent company's on-demand entertainment portal, is accessible via all connected devices.

#### Marketing Strategies

Our marketing strategies are cost-effective and integrated, allowing us to create powerful and flexible film campaigns. We utilise strategies such as the release of music to market a film prior to theatrical release as well as the promotion of products that feature film characters and themes. Our marketing team creates tailor made solutions utilising print, brand tie-ups, music pre-releases, outdoor advertising, social media marketing and online advertising to generate momentum for the release of a film. Our marketing plan begins from the inception of the film's production and peaks out towards its theatrical release.

**DISTRIBUTE DIGITAL CONTENT PRIMARILY IN IPTV, VOD (INCLUDING SVOD AND DTH) AND ONLINE INTERNET CHANNELS**





**640 mn**

EXPECTED INTERNET  
USERS BY FY2019

**A Winning Script...**

...leverages technology  
intelligently

India is rapidly transforming into a digital connected society, with an emerging range of options for information and entertainment on-the-go. Market influencers and advertisers are also realising the potential of this technology-driven mega trend as the 4G telecom network roll-out in the country is soon becoming a reality.

India's digital ad spend accounted for 10.5% of the total ad spends of ₹ 414 billion in FY2014. The country is expected to have 640 million internet users by FY2019. Our objective is to take advantage of this opportunity to monetise our library, and distribute new films through existing, as well as emerging platforms

#### ErosNow launch

With the launch of ErosNow, a platform owned by Eros International Plc, we have set our sights on the expansion of digital revenues. ErosNow will help us leverage our film libraries through partnership models and increase the range of offerings through multiple channels (DTH satellite, VOD, mobile and internet streaming services).

- The platform is a subscription based on-demand entertainment portal, with over 14 million registered users in India.
- Subscribers have access to 10,000+ content offerings, including films, music tracks, music videos, original and premium television content.
- Available on all internet-enabled devices and fully integrated with the top social media outlets globally.
- ErosNow will be producing in-house flagship original programming that will include reality shows, adaptations of hit international series, and original productions spanning drama, comedy and thrillers.
- ErosNow content spans a wide range of Film Studios, Music Labels and TV Networks.

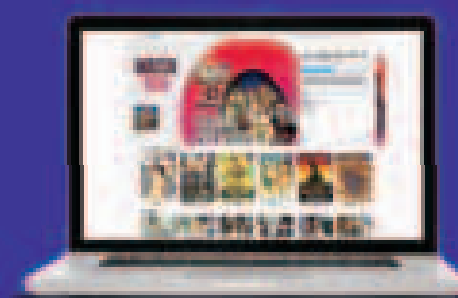
#### Film Studios



#### Music Labels



#### TV Networks



# 10,000+

CONTENT OFFERINGS,  
INCLUDING FILMS, MUSIC  
VIDEOS, TV EPISODES FOR  
SUBSCRIBERS

A man and a woman are shown in a room with a warm, yellowish-orange background. The woman, on the left, has voluminous, dark, curly hair and is wearing a light blue sleeveless dress. She is looking towards the camera with a slight smile. The man, on the right, has a beard and is wearing a pink long-sleeved shirt and white trousers. He is looking away from the camera, towards the right, with his right hand on his hip and his left arm raised. In the center of the room, a vintage green typewriter sits on the floor. Next to it is a book with the title 'OPERATION RETAIL' and 'YOUR BUSINESS' visible on its cover. Numerous white papers are floating in the air around the couple, creating a sense of motion and chaos. A red rectangular box is positioned in the upper right corner of the image, containing white text.

THE MAJOR EMPHASIS  
OF TRINITY PICTURES  
WILL BE ON QUALITY,  
SUCCESS RATE AND  
BUILDING FRANCHISES  
WITH LASTING VALUE

## A Winning Script...

...is being in sync with time,  
and paving new pathways



In a world where new opportunities are waiting to be discovered all the time the focus is on new initiatives that create opportunities that can multiply the potential.

#### Trinity Pictures

India's film industry is at a nascent stage in terms of the Hollywood franchise model. In such a scenario there is a significant opportunity to raise the game and deliver value. Therefore, we launched a Motion Pictures label, Trinity Pictures which will focus on developing in-house intellectual property, with special emphasis on the franchise film model.

The major emphasis of Trinity Pictures will be on quality, success rate and building franchises with lasting value. This perfectly complements our overall content strategy. It will provide significant boost to our library and content monetisation capabilities in the long term. Under the brand, we plan to explore all kinds of genres, which will include action-thrillers, supernatural horror films and mythological dramas, among others. The current focus will be on Hindi films to begin with, and eventually to other languages, all meant primarily for the Indian market.

#### Foray into Sino-Indian films

One of our strongest potential markets, China, with a market size of \$4.8 billion and over 23,600 screens is projected to soon surpass Hollywood as the world's largest market for films. Eros has announced landmark deals with three major Chinese state owned film and entertainment companies to promote, co-produce, distribute and unlock value in respective intellectual properties for Sino-Indian films across all platforms in both the countries.

The MoUs entail the prospective co-production and distribution of Sino-Indian films with Chinese Government owned production houses including China Film Group Corporation (CFGC) and Shanghai Film Group Corporation (SFG). Eros has also announced one of its first projects, co-produced with CFC titled DA TANG XUAN ZANG (Monk Xuan Zang) starring China's most popular and multi faceted actor, Huang Xiaoming, directed by Huo Jianq.

This first co-production project opens up avenues for Eros for local content creation in China. Under the co-production treaty, a film designated as a co-production will not be considered a foreign film and therefore avoids any associated restrictions

**\$4.8 bn**

CHINA FILM INDUSTRY  
MARKET SIZE

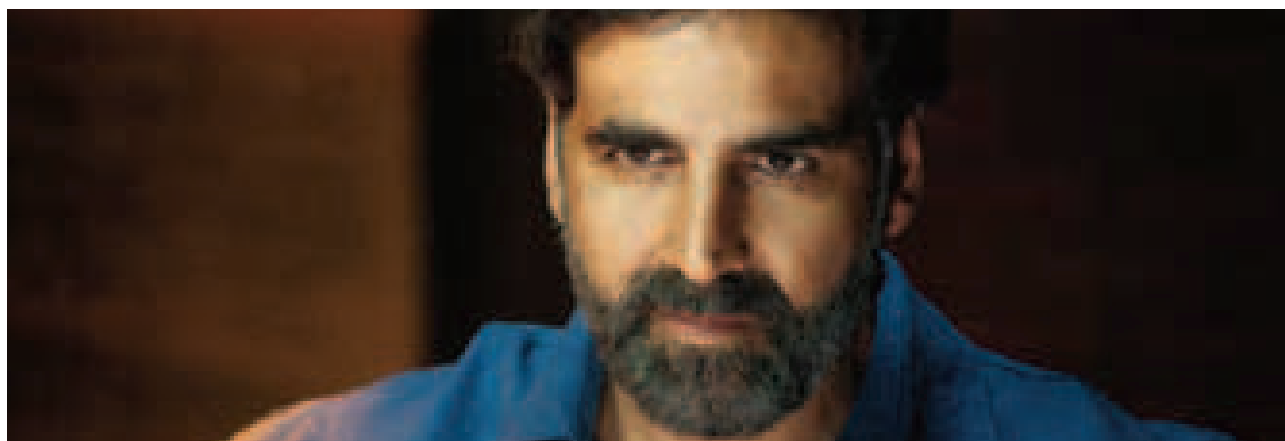
# Content Slate for FY2016

Eros has always followed simple yet effective strategies that help it to deliver high-quality content to meet up with the expectations of the audience at large. These have not only allowed us to grow our stature further, but also have also reinforced our leadership position. The Company has an enviable film slate comprising the following films for the years FY2016:



FILM NAME	STAR CAST/ (DIRECTOR)	RELEASE DATE (QUARTER)
<b>Gabbar</b> (Overseas)	Akshay Kumar, Kareena Kapoor (Krish)	Q1 FY2016
<b>Uttama Villian</b> (Tamil)	Kamal Haasan (Ramesh Aravind)	Q1 FY2016
<b>Tanu Weds Manu Returns</b>	Kangana Ranaut, R. Madhavan (Anand L. Rai)	Q1 FY2016
<b>Mass</b> (Tamil)	Suriya, Nayantara, Amy Jackson (Venkat Prabhu)	Q1 FY2016
<b>Dil Dhadakne Do</b> (Overseas)	Ranveer Singh, Farhan Akhtar, Priyanka Chopra, Anushka Sharma, Anil Kapoor (Zoya Akhtar)	Q1 FY2016
<b>Bajarangi Bhaijaan</b>	Salman Khan, Kareena Kapoor (Kabir Khan)	Q2 FY2016

RELEASE TITLE	STAR CAST/ (DIRECTOR/ PRODUCER)	TENTATIVE RELEASE DATE
Life of Josooty (Malayalam)	Dileep, Jyothi Krishna, Rachana Narayankutty (Jetthu Joseph)	Q2 FY2016
Rajini Murugan (Tamil)	Sivakarthiskeyan (Ponram)	Q2 FY2016
Bangistan (Overseas)	Ritesh Deshmukh, Pulkit Samrat, Jacqueline Fernandez (Karan Anshuman)	Q2 FY2016
Welcome Back	John Abraham, Nana Patekar, Anil Kapoor, Shruti Haasan (Anees Bazmee)	Q2 FY2016
Hero	Sooraj Pancholi, Adheya Shetty (Nikhil Advani)	Q2 FY2016
Singh is Bling (Overseas)	Akshay Kumar, Kareena Kapoor, Amy Jackson (Prabhu Deva)	Q3 FY2016
Bajirao Mastani	Ranveer Singh, Deepika Padukone (Sanjay Leela Bhansali)	Q3 FY2016
Gabbar Singh 2 (Telugu)	Pawan Kalyan (K. S. Ravindra)	Q4 FY2016
Aligarh	Kangana Ranaut (Hansal Mehta)	Q4 FY2016
Dictator (Telugu)	Balakrishna (Srivaas)	Q4 FY2016
Naale (Malayalam)	Fahad Fazil, Malavika S Mohan, Isha Talwar, Mukesh (Shiju S Bawa)	Q4 FY2016
Pera! Thedai Natkal (Tamil)	Ashok Selvan (Abraham Prabhu)	Q4 FY2016
Enkitta Mothathe (Tamil)	Natarajan Subramaniam Rajaji and Vijay Murugan (Ramu Chellappa)	Q4 FY2016
Housefull 3	Akshay Kumar, Abhishekh Bachchan, (Director-Sajid-Farhad)	FY2017
Shivay	Ajay Devgn (Ajay Devgn)	FY2017
Dishoom	Varun Dhawan, John Abraham, Jacqueline Fernandez (Rohit Dhawan)	FY2017
Farzi	Shahid Kapoor, Kiriti Sanon (Raj Nidimoru and Krishna D.K.)	FY2017
Banjo	Ritesh Deshmukh, Nargis Fakhri (Ravi Jadhav)	FY2017
Raabta	Sushant Singh Rajput (Dinesh Vijayan and Homi Adjanina)	FY2017
Jugaadu	Harman Baweja and others	FY2017



# EROS PLC

Eros International Plc is the parent company of Eros International Media Ltd. and through its subsidiaries holds 74.4% of the Company. It is the first Indian media company to list on the New York Stock Exchange and has a market capitalisation of \$ 2.02 billion as on 24th July, 2015. It operates as the international distribution platform for the content Eros International produces or acquires in India. Eros International Media Ltd. benefits immensely from the wide global network and reach of its parent. Eros International Plc's network extends to over 50 countries such as United States, the United Kingdom, and throughout the Middle East, Germany, Poland, Russia, Romania, Indonesia, Malaysia, Taiwan, Japan, South Korea, China and Arabic speaking countries. Eros Plc also owns ErosNow, the digital content platform.

ACCORDING TO A RECENT KPMG FICCI REPORT, BY FY2017, INDIA WILL HAVE OVER ONE BILLION MOBILE SUBSCRIBERS WITH THE MARKET FOR 3G AND 4G EXPECTED TO **GROW 3.5 TIMES TO OVER 247 MILLION**

## ErosNow

ErosNow is Eros International Plc's on-demand entertainment portal accessible anytime, anywhere, on nearly any Internet-connected screen. ErosNow offers its users the promise of endless entertainment hosting the largest library of films, as well as premium television shows, music videos and audio tracks, unmatched in quantity and quality. Premieres of latest films before their television window and high quality original drama series differentiate the ErosNow offering. ErosNow already has over 19 million registered users able to watch what they want, when they want on any internet enabled device such as laptops, tablets or mobile smartphones.



VIDEOCON  
SMARTPHONE

**tanu** *newlyweds*  
**return**

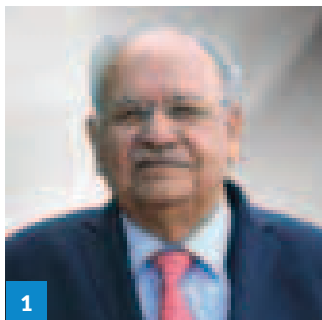
19<sup>th</sup> JULY ONWARDS

**GLOBAL  
PREMIERE**  
TV SE PEHLE

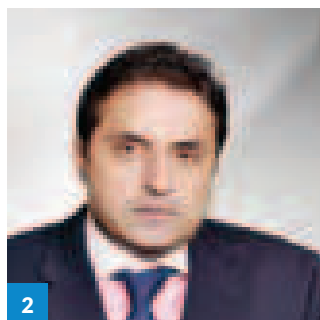
UPCOMING  
PREMIERES  
TV SE PEHLE

UNLIMITED MOVIES, MUSIC, TV SHOWS AND  
ORIGINALS ONLY ON EROSNOW

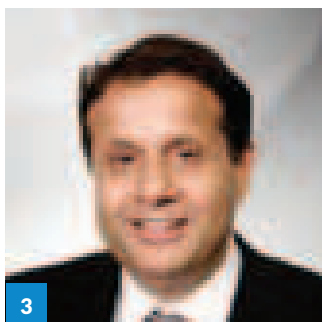
# Board of Directors



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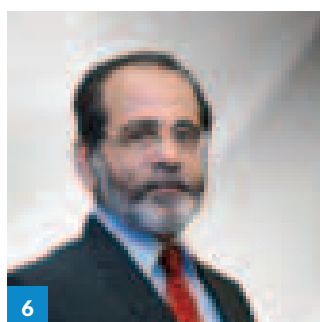
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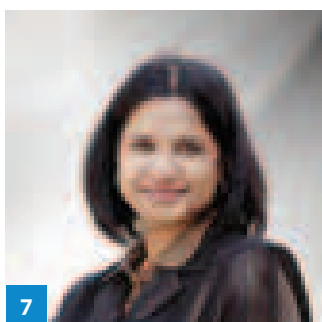
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6



7



8

## 1. NARESH CHANDRA

### Non-Executive Chairman and Independent Director

Mr. Naresh Chandra has a master's degree in Science from Allahabad University. He is a former civil servant and was appointed as Cabinet Secretary, the highest post in the Indian civil service. He has served as the Governor of the state of Gujarat in 1995-1996 and as Ambassador of India to the United States of America in 1996-2001. Mr. Chandra has chaired many important committees: the Committee on Corporate Audit and Governance and the Committee on Private Companies and Limited Companies Partnerships, among others. He is a recipient of the Padma Vibhushan, the highest civilian award in India. The recognition was bestowed upon him in 2007. He holds the position of director for several companies which includes Eros Plc and Vedanta Resources Plc.

## 2. SUNIL LULLA

### Executive Vice Chairman and Managing Director

Mr. Sunil Lulla has a bachelor's degree in commerce from University of Mumbai. He has over 20 years of experience in the Media & Entertainment industry. Mr. Lulla has played an important role in the Company's expansion into the domain of distribution in India. He possesses a wide network of connections with the Indian film industry and has facilitated Company's foray into music and entertainment. He has been serving as a Director since the incorporation of the Company & in 2009, he was appointed as Executive Vice Chairman and Managing Director.

### 3. KISHORE LULLA

#### Executive Director

Mr. Kishore Lulla has a bachelor's degree in arts from the University of Mumbai. He has over 30 years of experience in the Media industry and is a member of the British Academy of Film and Television Arts and the Young Presidents' Organisation. He has served as Director since 2005. Mr. Lulla has been honoured at the Asian Business Awards, 2007, and the Indian Film Academy Awards, 2007, for his contribution in taking Indian cinema across the world. Mr. Lulla has played a role of insurmountable importance in expansion of Eros Group to a large number of international markets: UK, the US, Dubai, Australia, and Fiji, among others. Recently, he was honoured with the 'Entertainment Visionary Award' by Asia Society Southern California in 2015.

### 4. DHIRENDRA SWARUP

#### Independent Director

Mr. Dharendra Swarup is a Government certified Public Accountant and a Fellow Member of the Institute of Public Auditors of India. He has a post-graduate degree in Humanities. He has held many positions of prominence, namely, member of the Board of the SEBI; member of the Permanent High-level Committee on Financial Markets of the Reserve Bank of India; Secretary, Ministry of Finance, Government of India; Chairman of the Pension Funds Regulatory Authority; and Chief of the Budget Bureau of the Government of India. Mr. Swarup has also been associated with the drafting of the Fiscal Responsibility and Budget Management Act, 2003, as well as served as the Vice Chairman of the International Network on Financial Education, between 2007 and 2009.

### 5. DR. SHANKAR NATH ACHARYA

#### Independent Director

(resigned w.e.f. 30th April, 2015)

Dr. Acharya has a bachelor's degree in Politics, Philosophy and Economics from Oxford University in 1967 and earned a Doctorate in Economics from the Harvard University in 1972. He has served as Economic Advisor to the Union Finance Ministry; Chief Economic Advisor to the Government of India. Dr. Acharya is former member of the Prime Minister's Economic Advisory Council (2001-03) and Twelfth Finance Commission (2004).

### 6. MR. RAKESH SOOD

#### Independent Director

(appointed as an Additional Director w.e.f 1st May, 2015)

Mr. Rakesh Sood has a post-graduate degree in Physics from St. Stephen's College, Delhi. He also has post-graduate degrees in Economics and Defence Studies. In a career spanning many decades, Mr. Sood has served as Director (Disarmament) in Delhi; Joint Secretary (D&ISA), in the Foreign Ministry; Ambassador to Afghanistan; Ambassador to Nepal and Ambassador to France, among many other key positions held. He was also appointed Special Envoy of the Prime Minister (SEPM) for Disarmament and Non-Proliferation Issues, a position held till May 2014. After retiring from services held with the Government, Mr. Sood has been active in commenting on India's foreign policy and international security issues in the media.

### 7. JYOTI DESHPANDE

#### Executive Director

Ms. Jyoti Deshpande has a bachelor's degree in Commerce and Economics and a master's degree in Business Administration from University of Mumbai. She is the Group Chief Executive Officer and Managing Director of Eros International Plc and is a member of the leadership team driving strategy and operations. She possesses over 22 years' experience in the Media and Entertainment industry. She also has work experience in advertising and has worked in J. Walter Thomson and MindShare. She joined the Eros International Group in 2001. She has helped Eros Plc to list on AIM in July 2006 and Eros International Media Limited on Indian Stock Exchanges in 2010 & in 2013 she spearheaded the listing of Eros International Plc on New York Stock Exchange.

### 8. VIJAY AHUJA

#### Non Executive Non Independent Director

Mr. Vijay Ahuja has a bachelor's degree in commerce from University of Mumbai. Mr. Ahuja has spear-headed and co-founded our United Kingdom business. He has played a crucial role in guiding the implementation of our key international strategies. Mr. Ahuja has also contributed to the development of our south-east Asian markets: Hong Kong, Malaysia, Indonesia and Singapore.



# Directors' Report

To,  
The Members,

The Board of Directors of your Company is pleased to present the 21<sup>st</sup> Annual Report of your Company along with the standalone and consolidated Audited Accounts for the financial year ended 31 March, 2015.

## 1. FINANCIAL RESULTS

Financial Results of the Company for the year under review along with the figures for previous year are as follows:-

Particulars	₹ in lacs			
	Eros International Media Limited (Standalone)		Eros International Group (Consolidated)	
	2014-15	2013-14	2014-15	2013-14
Sales and other Income	109,071	85,929	144,103	113,964
Profit Before tax	19,787	18,514	32,315	26,697
Less: Provision for Tax	7,368	7,147	7,615	7,370
Less: Minority Interest	-	-	(6)	(642)
Net profit after Tax	12,419	11,367	24,706	19,969
Add: Balance carried forward from Profit and Loss A/c	47,939	36,535	76,383	56,377
Profit available for appropriations	60,358	47,902	101,089	76,346
Add: Excess provision for dividend distribution tax reversed	-	37	-	37
Balance of profit carried forward to Balance Sheet	60,358	47,939	101,089	76,383
EPS (Diluted) in ₹	13.28	12.31	26.43	21.63

During the fiscal 2014-2015, your Company successfully released 64 films in multiple languages consisting of 44 Hindi films and 20 Tamil/Telugu films as against 69 films during FY 2014, which included 37 Hindi, 30 Tamil/Telugu and 2 other regional language films.

Of the Company's total release portfolio of 64 films during the year, major theatrical releases included 'Action Jackson', 'Tevar', 'NH10', 'Shamitabh', 'Badlapur', 'Lingaa (Multi-lingual)', 'Kaththi' (Tamil), 'Aagadu' (Telugu), 'Mary Kom' (Overseas), 'Ek Villain' (Overseas), 'Kochadaiyaan' (Multi Lingual) amongst others.

During the fiscal, your Company significantly augmented its FY2015-2016 film slate with some impressive signings. The Company partnered with Salman Khan Films for the Global Distribution Rights of 'Bajrangi Bhaijaan' & 'Hero', acquired international rights of Excel Entertainment's eagerly awaited films 'Dil Dhadakne Do' & 'Bangistan'. Your Company signed an agreement with Viacom18 Motion Pictures for international distribution of four films: 'Mary Kom' (Released in FY15); 'Gabbar' (FY16); 'Golu Pappu' (FY16); & 'Santa Banta' (FY16).

The year gone by saw your Company's strategy of entry into Regional cinema pay-off well and contribute notably to the portfolio of releases. Building further on its regional footprint, the Company announced its entry into the Malayalam market by partnering with leading director Jeethu Joseph for 'Life of Josooty'.

In fiscal 2014-15, your Company launched a Motion Pictures Production Division, Trinity Pictures, which will be focusing on developing intellectual property in-house. While the Company's acquisition and co-production model fuel scalability and increased market share,

# 64

DURING FY 2014-2015, THE  
COMPANY SUCCESSFULLY  
RELEASED 64 FILMS IN  
MULTIPLE LANGUAGES

the Trinity label will primarily focus on quality success rate and building franchises with lasting value, complementing our overall content strategy.

Your Company also enjoys a competitive advantage through its extensive film library comprising of 2,000+ films which include recent and classic titles across diverse genres, budgets and languages. There is also growing potential for the digital revenue through ErosNow, a dedicated online entertainment portal, ErosNow owned by the parent Eros International PLC, offers full length films, music videos, television and originals as it continues to expand its reach through various strategic collaborations. With improving internet connectivity in the coming years, supported by exponential growth expected in smartphone user base in India, appetite for on-the-go entertainment should increase significantly.

## 2. DIVIDEND

With a view to strengthen the financial position of the Company, your Directors did not recommend any dividend for its equity shareholders.

## 3. RESERVES

No percentage of profits was transferred to General reserve as dividend was not recommended for the financial year 2014-2015.

## 4. RESULTS OF OPERATIONS

### Consolidated

In the financial year 2014-2015, the Company recorded consolidated revenue of ₹ 144,103 lacs as against ₹ 113,964 lacs in the previous financial year, registering a growth of 26.45 %. The earnings before interest and tax (EBIT) increased by 20.63 % to ₹ 36,155 lacs as compared to ₹ 29,971 lacs in previous year. The Profit after tax (after minority interest) (PAT) at ₹ 24,706 lacs was higher by 23.72 % over last year (₹ 19,969 lacs in FY 2013-2014). Diluted EPS increased by 22.19 % to ₹ 26.43 as compared to ₹ 21.63 in financial year 2013-14.

### Standalone

On standalone basis, the revenues from operations for the financial year 2014-2015 stood at ₹ 109,071 lacs which was higher by 26.93% as compared to previous year which was ₹ 85,929 lacs. The earnings before interest and tax (EBIT) increased by 8.47 % to ₹ 23,631 lacs as compared to ₹ 21,785 lacs in previous year. The Profit after tax (PAT) at ₹ 12,419 lacs was higher by 9.26% over last year (₹ 11,367 lacs in FY 2013-2014). Diluted EPS decreased by 7.88 % to ₹ 13.28 as compared to ₹ 12.31 in financial year 2013-14.

## 5. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As on 31 March, 2015, the Company had 13 subsidiaries (comprising of 8 direct subsidiaries and 5 indirect subsidiaries) as listed below:

- Eros International Films Private Limited (Direct Subsidiary)
- Big Screen Entertainment Private Limited (Direct Subsidiary)
- E M Publishing Private Limited (Direct Subsidiary)
- EyeQube Studios Private Limited (Direct Subsidiary)
- Eros Animation Private Limited (Direct Subsidiary)
- Colour Yellow Productions Private Limited (Direct Subsidiary)\*
- Digicine PTE Limited (Direct Subsidiary)
- Copsale Limited (Direct Subsidiary)
- Ayngaran International Limited (Indirect Subsidiary)
  - Ayngaran International UK Limited (Indirect Subsidiary)
  - Ayngaran International Mauritius Limited (Indirect Subsidiary)
  - Ayngaran International Media Private Limited (Indirect Subsidiary)
  - Ayngaran Anak Media Private Limited (Indirect Subsidiary)

\*During the year, your Company acquired 50% stake in Colour Yellow Productions Private Limited and holds majority of the control of Board of Directors.

Further, during the year, the Company had placed a proposal to the shareholder for acquisition of 100% stake of Universal Power Systems Private Limited from its existing promoters and shareholders, who approved the same, vide Postal Ballot results dated 26 March, 2015. The acquisition procedure shall commence on receipt of approval from Foreign Investment Promotion Board (FIPB) for making downstream investment.

The Company's Policy for determining material subsidiaries is available on the Company's website on the following link viz. <http://www.erosintl.com/EROS/media/Images/Policy-on-Determination-of-Material-Subsidiary.pdf>. None of the subsidiary companies is material non-listed Indian subsidiary as per Clause 49 (V) of the Listing Agreement. Further, there are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013. There has been no material change in the nature of the business of the subsidiaries.

The financial statements of all the subsidiary companies as on 31 March, 2015, forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013 and the same are prepared in accordance with applicable accounting standards. The financial statements, both standalone and consolidated, are prepared in accordance with applicable accounting standards and as per Schedule III of the Companies Act, 2013 and applicable rules thereto.

In addition to the consolidated financial statements, a detailed financial statement containing the salient features of the financial statement of each of the subsidiary companies as included in the consolidation of financial statements as on 31 March, 2015 is annexed herewith as Annexure A (AOC 1) and forms part of this Report.

The financial statements of the subsidiary companies and related information are available for inspection by the members at the Corporate Office of your Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Corporate Office of your Company.

As required by the Act, the financial statements of the Company including consolidated financial statements alongwith relevant documents and separate audited accounts in respect of each of the subsidiaries are made available on the website of the Company.

## 6. DIRECTORS

In compliance with Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification

of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, the shareholders of the Company at their meeting held on 25 September, 2014 approved the appointments of Mr. Naresh Chandra, Mr. Dharendra Swarup and Dr. Shankar Nath Acharya as Independent Directors of the Company for a first term of five years and to hold the office till the conclusion of Annual General Meeting to be held in the calendar year 2019.

At the said AGM, Mr. Kishore Lulla was re-appointed as an Executive Director of the Company, liable to retire by rotation, for a period of three (3) years commencing from 25 September, 2014 till 24, September 2017.

During the year, Mr. Vijay Ahuja, Executive Director of the Company was re-designated as Non-Executive Non Independent Director of Company w.e.f 13 February, 2015.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and applicable rules thereto, Ms. Jyoti Deshpande, Executive Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. Your Directors recommend her re-appointment for your approval.

The Board of Directors at their meeting held on 29 May, 2015, re-appointed Mr. Sunil Lulla as Executive Vice Chairman and Managing Director for another period of five years commencing from the end of the present tenure i.e. from 28 September, 2015 till 27 September, 2020, and have recommended the proposed re-appointment for approval of the shareholders. Your Directors recommend his re-appointment for your approval.

Dr. Shankar Nath Acharya, Non Executive Independent Director of the Company, tendered his resignation w.e.f. 30 April, 2015. The Board placed on record its deep appreciation for Dr. Shankar Nath Acharya and thanked him for his significant contributions and valuable guidance during his association with the Company.

Based on the application received from one of the member proposing the candidature of Mr. Rakesh Sood as Independent Director, the Board of Directors of the Company at their meeting held on 30 April, 2015, appointed Mr. Rakesh Sood as an Independent Additional Director w.e.f. 1 May, 2015, who shall hold his office till the next Annual General meeting. The proposed resolution for appointment of Mr. Rakesh

Sood as Independent Director forms part of the Notice convening Annual General Meeting. Your Directors recommend his appointment for your approval.

Necessary disclosures/declarations, as per the Companies Act, 2013 and applicable rules thereto, are received from all the Directors seeking appointment/re-appointment(s). As required under Clause 49 of the Listing Agreement entered with Stock Exchanges, the information including brief profile(s) of the Directors proposed for appointment/re-appointment(s) are mentioned at length in the explanatory statement annexed to the Notice convening the Twenty First Annual General Meeting.

#### **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 Companies Act, 2013 as well as Clause 49 of the Listing Agreement. 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 Companies Act, 2013.

#### **Meetings conducted during the year**

During the year under review, the Board met four (4) times in a year i.e. on 29 May, 2014, 14 August 2014, 12 November 2014 and 13 February, 2015, apart from one separate meeting of Independent Directors held on 25 September, 2014. The maximum time gap between any two meetings of the Board was not more than one hundred and twenty days as stipulated under the Listing Agreement entered with Stock Exchanges.

#### **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. Risk Management Committee
- f. Management Committee

Details of each of the Committees stating the composition, terms of reference and others are covered at length in Corporate Governance Report attached to

and forming part of this report.

#### **Annual Evaluation of Board, Committees and individual Directors**

In accordance with Board Performance Evaluation Policy of the Company, a formal annual evaluation was carried out by the Board of its own performance and that of its committees and individuals directors on rating sheet methodology and in accordance with the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under clause 49 of the Listing Agreement.

The performance evaluation was done in an independent and fair manner. Evaluators undertook the evaluation process which includes filing and deliberation of evaluation rating sheet followed by individual interviews and explanations. Results of all types of evaluation were consolidated in a report along with the final ratings. Evaluation reports, prepared by Nomination and Remuneration Committee, were tabled before the Board which was deliberated upon at its meeting.

#### **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 website of the Company and are available at the following link: <http://www.erosintl.com/eros/media/images/videos/familiarization-programme-of-independent-directors.pdf>.

### **7. KEY MANAGERIAL PERSONNEL**

The Board of Directors of the Company had appointed Mr. Sunil Lulla, Executive Vice Chairman and Managing Director, Mr. Kamal Kumar Jain, erstwhile Chief Financial Officer of the Company and Ms. Dimple Mehta, Company Secretary and Compliance Officer of the Company as Key Managerial Personnel in accordance with the provisions of Section 2(51), Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year, Mr. Kamal Kumar Jain, Chief Financial Officer of the Company had resigned from his office as such w.e.f. 30 November, 2014 and a new Key Managerial Personnel Mr. Dinesh Modi was appointed by the Board of Directors in his place w.e.f. 25 November, 2014.

## **8. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report.

A detailed statement of disclosure required to be made in accordance with the Nomination and Remuneration Policy of the Company, disclosures as per Companies Act, 2013 and applicable rules thereto and Listing Agreement is attached as Annexure B hereto and forms part of this report.

## **9. EMPLOYEES' STOCK OPTION PLAN (ESOS)**

The Nomination and Remuneration Committee of the Board of Directors, inter alia, administers and monitors the Employees Stock Option Scheme of the Company which was in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines').

Details of Scheme being implemented by the Company including the summary of information on the stock options provided by the Company is attached as Annexure C to this report and forms part of this report.

During the year, pursuant to the grants made to the employees under the Company's Employees Stock Option Scheme 2009, the employees had exercised 5,34,084 stock options against which equivalent number of shares were issued and allotted by the Company.

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors of the Company had granted additional 6,91,961 stock options to its existing and new joiners during the financial year.

## **10. ISSUE OF EQUITY SHARES**

Your Company issued and allotted 5,34,084 Equity shares of the Company against exercise of equal number of stock options pursuant to Eros Employee Stock Option Scheme 2009, thereby resulting in increase in the Company's paid up capital from ₹ 919,731,900 to ₹ 925,072,740 as on 31 March, 2015.

## **11. AUDITORS & AUDITORS' REPORT**

M/s. Walker Chandiok & Co LLP, Chartered Accountants, were appointed as the statutory auditors of the Company by the shareholders at their meeting held on 25 September, 2014 for a period of three (3) years till the conclusion of 23rd Annual General Meeting to be

held in 2017, subject to ratification of their appointment at every AGM.

Your director recommends that the appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, needs to be ratified at the Annual General Meeting. Your Company has received letters from M/s Walker Chandiok & Co LLP, Chartered Accountants to the effect that their appointment, if ratified, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from being appointed as the Auditors of the Company.

M/s Walker Chandiok & Co LLP, Chartered Accountants, audited the financial statements of the Company, both standalone and consolidated and issued Auditors Report thereon. The auditors' report does not contain any qualifications, reservations or adverse remarks. The notes to the Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Companies Act, 2013.

## **12. SECRETARIAL AUDIT REPORT**

Pursuant to the requirements of the Companies Act, 2013, the Company has appointed M/s Bankim Mehta & Associates, Practicing Company Secretaries (COP-8959) as the Secretarial Auditor for FY 2014-2015 whose report dated 29 May, 2015 is attached separately to this report as Annexure D.

The Secretarial Auditors' Report is unqualified and do not contain any adverse remarks. The Report is self explanatory and therefore do not call for any further clarifications under Section 204 of the Companies Act, 2013.

## **13. CREDIT RATING**

During the year, Credit Analysis and Research Limited ("CARE") upgraded the Company's rating for its Long Term facilities from CARE A+ to CARE AA- and ratings for short term facilities were reaffirmed at CARE A1+. The rating for NCDs (that may be issued by the Company in future depending on various factors) was upgraded from CARE A+ to CARE AA- and the ratings for Commercial Papers (CPs) were reaffirmed at CARE A1+.

## **14. PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Companies Act, 2013 and the rules made thereunder, as amended, has been given in the Annexure E appended hereto and forms part of this report. The Company had 5 employees who were employed throughout the year and were in receipt of remuneration of more than ₹ 60 lacs

per annum and 6 employee(s) were employed for part of the year and were in receipt of remuneration of more than ₹ 5 lacs per month.

#### 15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

The particulars of loans, guarantees and investments made /given by the Company in the year 2014 -2015 as per Section 186 of the Companies Act, 2013 is stated in the Notes to Account which forms part of this Annual Report.

#### 16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

None of the transactions with related parties falls under the scope of Section 188(1) of the Companies Act, 2013. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure F in Form AOC-2 and the same forms part of this report.

#### 17. POLICY ON RELATED PARTY TRANSACTIONS

The Company has adopted a policy on Related Party Transaction and the same has been displayed on the Company's website: <http://www.erosintl.com/EROS/media/Images/Policy-on-dealings-and-materiality-of-Related-Party-Transaction.pdf>.

#### 18. VIGIL MECHANISM

The Company has established a vigil mechanism for reporting of genuine concerns through Whistle Blower Policy of the Company. This Policy, *inter alia*, provides a direct access to the Chairman of Audit Committee of the Company on his dedicated email-ID [whistleblower@erosintl.com](mailto:whistleblower@erosintl.com). The Whistle Blower Policy is posted on the Company's website at <http://www.erosintl.com/eros/media/images/whistle-blower-policy.pdf>.

#### 19. PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has formulated and implemented Anti Sexual Harassment Policy in accordance with Section 21 and 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to protect the interest of women employees at workplace. The Committee comprising of executive director and senior executives of the Company has been set up to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Details of number of cases filed under Sexual Harassment and their disposal is as under:

Number of cases pending as on the beginning of the financial year (1 April, 2014)	Nil
Number of complaints filed during the year	Nil
Number of cases pending as on the end of the financial year (31 March, 2015)	Nil

#### 20. EXTRACT OF THE ANNUAL RETURN

As per Section 92(3) of the Companies Act, 2013, the extract of annual return is given in Annexure G in the prescribed Form MGT-9, which forms part of this report.

#### 21. INSURANCE

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

#### 22. DEPOSITS, LOANS AND ADVANCES

Your Company has not accepted any Public Deposits falling within the purview of Section 73 of the Companies Act, 2013. As such, no amount on account of principal or interests on public deposits was outstanding, as on 31 March, 2015. The details of loans and advances, which are required to be disclosed in the Company's annual accounts, pursuant to Clause 32 of the Listing Agreement with the Stock Exchanges, are mentioned in Notes to accounts forming a part of this Report.

#### 23. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 134(5) of the Companies Act, 2013, the Board confirms and submit the Director's Responsibility Statement stating that:

- in the preparation of the annual accounts, the applicable accounting standards has been followed along with the proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;



- e. the directors had laid down internal financial controls to be followed by the Company and that such financials controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequately and operating effectively.

## 24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE

The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to conservation of energy and technology absorption do not apply to the Company. The Company has been continuously and extensively using technology in its operations.

Particulars of foreign currency earnings and outgo are as under:

	₹ in lacs	
	Year ended March 31, 2015	Year ended March 31, 2014
Expenditure in foreign currency	321	225
Earnings in foreign currency	44,299	17,352
CIF Value of Imports	-	-

## 25. INTERNAL AUDIT

The Company has developed stringent Internal Control systems in its various business processes, commensurate with the size and nature of its business. The Company has entrusted the internal audit to M/s. Ernst & Young LLP, Chartered Accountants. The main thrust of the internal audit process is test and review of controls, independent appraisals of risks, business processes and benchmarking internal controls with best practices.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen them.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken.

## 26. CORPORATE GOVERNANCE

The Company has been observing the best corporate governance practices on an on-going basis. A separate

section on Corporate Governance and a Certificate from M/s. Bankim Mehta & Associates, Practicing Company Secretaries (Registration No COP- 8959/ Membership-7831) regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges forms part of the Corporate Governance Report annexed herewith.

## 27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per clause 49 of the Listing Agreement entered into with the stock exchanges, Management Discussion and Analysis Report is attached herewith and forms part of this report.

## 28. CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors at its meeting held on 29 May 2014 approved the Corporate Social Responsibility Policy of the Company, which was duly reviewed and recommended by CSR Committee, in accordance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The thrust areas of CSR Policy, inter alia, are education and empowerment of women. Disclosures on CSR 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.

During the financial year 2014-2015, the Company spent a sum of ₹ 55 lacs only towards its CSR activities, out of total CSR amount of ₹ 3.58 crores (being 2% of average net profit of last three years) required to be spent in the entire financial year. As the Company is still in the process of identifying the right charitable trust/ societies to be associated with, in accordance with the CSR Policy of the Company, the Company ended up spending short on its CSR activities in FY 2014-2015.

## 29. RISK MANAGEMENT

The Board of Directors at its meeting held on 12 November, 2014 constituted the Risk Management (RM) Committee comprising of the Directors and executives as its Members and approved the Risk Management Policy. The Policy deals with the process which includes, inter alia, identification of elements of risk which in the opinion of the Board may threaten the existence of the Company, assessment thereof and minimisation procedures. The details about Risk Management Committee and its charter are available



on the website of the Company on following link <http://www.erosintl.com/EROS/media/Images/Charter-of-Risk-management-Committee.pdf>.

### 30. ACKNOWLEDGEMENTS

The Board of Directors take this opportunity to express their sincere appreciation for support and the 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 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 Board of directors

**Sunil Lulla**

Executive Vice Chairman  
and Managing Director

Place: Mumbai  
Date: 29 May, 2015

**Jyoti Deshpande**

Executive Director

# Annexure A to Directors' Report

## FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 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

Sl. No	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from 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.	CUR	Rate of exchange to INR	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Eros International Films Private Limited	31-March-2015	INR	-	200,000,000	(72,500,980)	603,812,311	603,812,311	603,812,311	1	6,136,496	(156,931,102)	1,048,272	(157,979,374)	Nil	99.65%
2	Copasales Limited	31-March-2015	USD	62.3355	4,495,000	3,767,394,138	9,339,756,182	9,339,756,182	9,339,756,182	-	3,021,334,032	1,330,276,470	-	1,330,276,470	Nil	100.00%
3	Bigsreen Entertainment Private Limited	31-March-2015	INR	-	100,000	17,753,055	47,735,625	47,735,625	47,735,625	-	10,000	(86,944)	10,751	(97,695)	Nil	64.00%
4	Eyeqube Studios Private Limited	31-March-2015	INR	-	100,000	5,848,789	7,367,524	7,367,524	7,367,524	-	254,733	(608,613)	-	(608,613)	Nil	99.99%
5	Ayngaran International Limited (IOM)	31-March-2015	USD	62.3355	7,994	(49,456,967)	1,225,732,510	1,225,732,510	1,225,732,510	-	-	(6,567,653)	-	(6,567,653)	Nil	51.00%
6	Ayngaran International (Mauritius) Limited	31-March-2015	USD	62.3355	291,428	273,654,641	1,733,674,279	1,733,674,279	1,733,674,279	-	252,117,788	48,355,579	-	48,355,579	Nil	100.00%
7	Ayngaran International (UK) Limited	31-March-2015	GBP	92.5408	1	(394,557,987)	910,045,732	910,045,732	910,045,732	-	299,471,783	(114,264,663)	-	(114,264,663)	Nil	100.00%
8	Ayngaran International Media Private Limited	31-March-2015	INR	-	219,000	(69,414,428)	430,106,261	430,106,261	430,106,261	-	602,855,515	(17,859,218)	-	(17,859,218)	Nil	100.00%
9	Ayngaran Anak Media Private Limited	31-March-2015	INR	-	2,000,000	(2,214,654)	6,365,236	6,365,236	6,365,236	-	3,353,753	(978,847)	-	(978,847)	Nil	51.00%
10	EM Publishing Private Limited	31-March-2015	INR	-	100,000	(1,914,634)	1,971,413	1,971,413	1,971,413	-	1,030,030	(4,297,971)	104,556	(4,402,527)	Nil	99.00%
11	Eros Animation Private Limited	31-March-2015	INR	-	100,000	(90,039)	38,525	38,525	38,525	-	-	(21,232)	-	(21,232)	Nil	100.00%
12	Digicine Pte Ltd	31-March-2015	USD	62.3355	4045	127,970,779	1,763,140,284	1,763,140,284	1,763,140,284	-	498,110,509	142,140,883	23,638,616	118,502,267	Nil	100.00%
13	Color Yellow Productions Private Limited	31-March-2015	INR	-	100,000	(2,287,377)	248,032,097	248,032,097	248,032,097	-	-	(1,849,977)	(13,021)	(1,836,956)	Nil	50.00%

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

Not Applicable

## Annexure B to Directors' Report

Information required under Section 197 of the Companies Act, 2013, read with 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 2014-15 IS AS FOLLOWS:

Name of Director	Total remuneration	Ratio of remuneration of director to the Median remuneration
Mr. Naresh Chandra	5,740,000	52.58
Mr. Sunil Lulla	38,507,600	352.74
Mr. Dharendra Swarup	3,230,000	29.59
Mr. Kishore Lulla	9,583,200	87.78
Dr. Shankar Nath Acharya	3,070,000	28.12
Ms. Jyoti Deshpande	8,712,000	79.80
Mr. Vijay Ahuja	Nil	-
Mr. Dinesh Modi	2,916,666	26.72
Mr. Kamal Kumar Jain	15,909,727	145.74
Ms. Dimple Mehta	2,776,404	25.43

#### Notes:

- The above information is on standalone basis.
- Mr. Kamal Kumar Jain, Chief Financial Officer of the Company resigned from the office as such w.e.f 30 November, 2014 and Mr. Dinesh Modi was appointed as Chief Financial Officer w.e.f. 25 November, 2014. Accordingly, the remuneration shown above is for part of the financial year 2014-2015.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2014-2015.
- The remuneration to Directors includes sitting fees paid to them for the financial year 2014-2015. The sitting fees were increased from ₹ 20,000 to ₹ 40,000 for attending each Board and Committee meetings of the Company.

### B. PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY IN THE FINANCIAL YEAR 2014-15 ARE AS FOLLOWS:

Name of Director	Designation	Remuneration (in ₹)		Increase in %
		2014-15	2013-14	
Mr. Naresh Chandra	Non Executive Independent Director	5,740,000	4,695,000	22.26
Mr. Sunil Lulla	Executive Vice Chairman & Managing Director	38,507,600	33,880,000	13.66
Mr. Dharendra Swarup	Non Executive Independent Director	3,230,000	2,477,500	30.37
Mr. Kishore Lulla	Executive Director	9,583,200	8,712,000	10
Dr. Shankar Nath Acharya	Non Executive Independent Director	3,070,000	2,477,500	23.92
Ms. Jyoti Deshpande	Executive Director	8,712,000	7,920,000	10.00
Mr. Vijay Ahuja	Non Executive Non Independent Director	Nil	-	-
Mr. Dinesh Modi*	Chief Financial Officer	2,916,666	-	-
Mr. Kamal Jain*	Chief Financial Officer	15,909,727	9,035,000	76.09
Ms. Dimple Mehta	Company Secretary & Compliance Officer	2,776,404	2,203,781	25.98

#### Note:

\* Mr. Kamal Kumar Jain, Chief Financial Officer of the Company resigned from the office as such w.e.f 30 November, 2014 and Mr. Dinesh Modi was appointed as Chief Financial Officer w.e.f. 25 November, 2014. Accordingly, the remuneration shown above is for part of the financial year 2014-2015.

**C. PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR 2014-15:**

	2014-15	2013-14	% Change
	(₹)	(₹)	
Median Remuneration of all employees per annum	109,167	79,259	37.73

**D. NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY AS ON 31 MARCH, 2015:**

As on 31 March, 2015, the Company has 282 permanent employees on its payroll, as compared to 216 employees as at 31 March, 2014.

**E. EXPLANATION ON THE RELATIONSHIP BETWEEN AVERAGE INCREASE IN REMUNERATION AND COMPANY'S PERFORMANCE:**

The average increase of remuneration of all employees in the Company in the financial year 2014-2015 was 0.3844% as compared to financial year 2013-2014.

The highlight of company's performance are:

	2014-2015	2013-2014	Growth
Net Revenue from Operations	107,169	85,712	25%
Profit Before tax and Exceptional Items	19,787	18,514	7%
Profit After Tax	12,419	11,367	9%

In order to ensure that remuneration reflects Company's Performance, the performance pay is also linked to organisation performance, apart from an individual's performance.

**F. COMPARISON OF THE REMUNERATION OF THE KEY MANAGERIAL PERSONNEL AGAINST THE PERFORMANCE OF THE COMPANY:**

	Mr. Sunil Lulla	Mr. Kamal Kumar Jain*	Mr. Dinesh Modi *	Ms. Dimple Mehta
Remuneration to KMP in FY 15 (₹)	38,507,600	15,909,727	2,916,666	2,776,404
Profit Before Tax (PBT) (₹)		1,978,717,969		
Remuneration of KMP (as % of PBT)	1.95%	0.80%	0.15%	0.14%

\* Mr. Kamal Kumar Jain, Chief Financial Officer of the Company resigned from the office as such w.e.f 30 November, 2014 and Mr. Dinesh Modi was appointed as Chief Financial Officer w.e.f. 25 November, 2014. Accordingly, the remuneration shown above is for part of the financial year 2014-2015.

**G. VARIATIONS IN THE MARKET CAPITALISATION OF THE COMPANY, PRICE EARNINGS RATIO AS AT THE CLOSING DATE OF THE CURRENT FINANCIAL YEAR AND PREVIOUS FINANCIAL YEAR:**

	As on March 31, 2015	As on March 31, 2014	% change
Market capitalization (₹ in crores)	3,710	1,556	138%
Price Earning Ratio	29.79	13.68	118%

**H. PERCENTAGE INCREASE OVER DECREASE IN THE MARKET QUOTATIONS OF THE SHARES OF THE COMPANY IN COMPARISON TO THE RATE AT WHICH THE COMPANY CAME OUT WITH THE LAST PUBLIC OFFER:**

Market Price as on 31 March, 2015	401
Price at the time of initial public offer in 2010	176
% increase of Market Price over the price at the time of initial public offer	127.8%

**Note:** Closing share price on National Stock Exchange (NSE) has been used for the above tables.

**I. COMPARISON OF AVERAGE PERCENTILE INCREASE IN SALARY OF EMPLOYEES OTHER THAN THE KEY MANAGERIAL PERSONNEL AND THE PERCENTAGE INCREASE IN THE KEY MANAGERIAL REMUNERATION:**

	<b>2014-15</b>	<b>2013-14</b>	<b>% change</b>
	<b>(₹)</b>	<b>(₹)</b>	
Average salary of all employees (other than Key Managerial Personnel)	16,841,425	11,030,444	52.68

**J. COMPARISON OF EACH REMUNERATION OF THE KEY MANAGERIAL PERSONNEL AGAINST THE PERFORMANCE OF THE COMPANY:**

	<b>2014-15</b>	<b>2013-14</b>	<b>% change</b>
	<b>(₹)</b>	<b>(₹)</b>	
Remuneration of Executive Vice Chairman and Managing Director	38,507,600	33,880,000	13.66
Remuneration of CFO (aggregate change for both CFO's employed during part of the year)	18,826,393	9,035,000	108.37
Remuneration of Company Secretary	2,776,404	2,203,781	25.98

**K. KEY PARAMETERS FOR THE VARIABLE COMPONENT OF REMUNERATION AVAILED BY THE DIRECTORS:**

The Members of the Company at their AGM held on 25 May, 2010 approved payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided each year by the board of Directors based on the recommendations made by the Nomination and Remuneration Committee considering various factors viz. attendance, contribution at the board and committee meetings, time spent on operational matters etc.

**L. RATIO OF THE REMUNERATION OF THE HIGHEST PAID DIRECTOR TO THAT OF THE EMPLOYEES WHO ARE NOT DIRECTORS BUT RECEIVE REMUNERATION IN EXCESS OF THE HIGHEST PAID DIRECTOR DURING THE YEAR:**

None

**M. 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 C to Directors' Report

## Summary of Information on the Stock Options

Grant dates	(A)	(B)	(C)	(D)	(E)	(F)	Total
	17-Dec-09	12-Aug-10	01-Jul-12	14-Oct-13	12-Nov-14	12-Feb-15	
(a) Options Granted during the year 2009-10 (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)	1,729,512	83,628	571,160	300,000	552,961	139,000	3,376,261
(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 96% to Fair Value (₹ 279/-)	
(c) Options vested	1,046,552	79,128	356,975	60,000	-	-	1,542,655
(d) Options exercised	975,748	64,526	-	60,000	-	-	1,100,274
(e) Total number of shares arising as a result of exercise of options	975,748	64,526	-	60,000	-	-	1,100,274
(f) Options lapsed (as at 31st March 2015)#	709,004	7,500	-	120,000	2,083	-	838,587
(g) Variation of terms options	Fair Market value of ESOP 2009 scheme is revised from ₹200 to ₹175 vide Postal Ballot dt 21 December 2010	Fair Market value of ESOP 2009 scheme is revised from ₹200 to ₹175 vide Postal Ballot dt 21 December 2010	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
(h) Money realized by exercise of options (upto 31st March 2015)	133,302,440	5,739,450	-	9,000,000	-	-	148,041,890
(i) Total number of options in force (as at 31st March 2015)	44,760	11,602	571,160	120,000	550,878	139,000	1,437,400
(j) 1 Employee wise details of options granted to Senior Management	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	
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	
(k) Diluted EPS, pursuant to issue of shares on exercise of options	The diluted EPS will be lower by ₹0.18 per share ie ₹13.28						
(l) 1 Method of calculation of employee compensation cost	Calculation is based on intrinsic value method						
2 Intrinsic Value per share (in Rupees)	28.09	88.18	100.00	-	282.35	376.20	
3 Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	Employee compensation cost would have been higher by ₹ 78 lacs during the year, had the Company used fair value method for accounting the options						
4 Impact of this difference on Profits and on EPS of the Company	Profits would have been lower by ₹ 78 lacs and E.P.S. would have been lower by ₹ 0.08 during the year, had the Company used fair value method of accounting the options issued under ESOP 2009.						
(m) 1 Weighted average exercise price (in Rupees)	118.42	91.14	75.00	150.00	10.00	10.00	
2 Weighted average fair value of options based on Black Scholes methodology (in Rupees)	114.64	95.25	122.19	55.49	284.07	379.69	

Grant dates		(A) 17-Dec-09	(B) 12-Aug-10	(C) 01-Jul-12	(D) 14-Oct-13	(E) 12-Nov-14	(F) 12-Feb-15	Total
(n)	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%	
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	Expected volatility (based in competitor companies volatility)	75%	60%	44%	35%	37.84%	40.11%	
4	Expected dividends	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	

Options granted to Senior Management Personnel (including more than 5%) during the year					Options Granted	Option Exercised	Options Lapsed	Options in force
<b>Grant Dated 17-Dec-2009</b>								
Ms. Jyoti Deshpande					713,950	142,790	571,160	-
Mr. Kumar Ahuja					85,267	85,267	-	-
Mr. Nandu Ahuja					19,588	19,588	-	-
Mr. Anand Shankar					61,128	61,128	-	-
<b>Grant Dated 12-Aug-2010</b>								
Mr. Kamal Jain					15,000	15,000	-	-
Mr. Anand Shankar					61,128	49,526	-	11,602
<b>Grant Dated 1-July-2012</b>								
Ms. Jyoti Deshpande					571,160	-	-	571,160
<b>Grant Dated 14-October-2013</b>								
Mr. Kamal Jain					150,000	30,000	120,000	-
Mr. Nandu Ahuja					150,000	30,000	-	120,000
<b>Grant Dated 12-November-2014</b>								
Mr. Dinesh Modi					20,000	-	-	20,000
Mr. Anand Shankar					15,711	-	-	15,711
Mr. Nandu Ahuja					29,645	-	-	29,645
Mr. Kumar Ahuja					12,485	-	-	12,485
Ms. Dimple Mehta					9,583	-	-	9,583
Ms. Prerna Singh					16,667	-	-	16,667
<b>Grant Dated 12-February-2015</b>								
Ms. Kinjal Palan					18,000	-	-	18,000
Mr. Sameer Gogate					20,000	-	-	20,000
Mr. Abhay Bhalerao					25,000	-	-	25,000
Mr. Ajit Thakur					75,000	-	-	75,000



# Annexure D to Directors' Report

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Eros International Media Limited**

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 our 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<sup>st</sup> March, 2015 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 Eros International Media Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz :-

- (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, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- (vi) and other applicable laws like The Employees State Insurance Act, 1948, The Contract Labour (Regulation and Abolition) Act, 1970, The Employees Provident Funds and Miscellaneous Provisions Act, 1952 etc.

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

- (i) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited, Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following:

The Company has constituted the CSR committee and its constitution was as per the regulations. The Company has spent only part amount of CSR Spent on Corporate Social Responsibility ('CSR') activities in financial year 2014-2015 and the Company shall explain the reasons for short spent in Directors Report as required under the provisions of the Companies Act, 2013.

**We 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, agenda and detailed notes on agenda were sent atleast 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

**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 agreed to acquire 100% stake in "Universal Power Systems Private Limited" against issue of 9,00,970 equity shares of ₹ 10/- each. The Company has made application for FIPB approval. Therefore, the precise impact cannot be reasonably estimated for the time being.

**For Bankim Mehta & Associates**  
Company Secretaries

**Bankim Mehta**  
Proprietor  
FCS: 7831  
COP: 8959

Place: Mumbai  
Date: 29 May, 2015

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## ANNEXURE A

To,  
The Members  
**Eros International Media Limited**

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 have 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. Wherever 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.

**For Bankim Mehta & Associates**  
Company Secretaries

**Bankim Mehta**  
Proprietor  
FCS: 7831  
COP: 8959

Place: Mumbai  
Date: 29 May, 2015

# Annexure E to Directors' Report

## PARTICULARS OF EMPLOYEES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014 FOR THE FINANCIAL YEAR ENDED 31-3-2015

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 Lulla	Executive Vice Chairman and Managing Director	38,507,600	Bachelor of Commerce	20 years+	29-Aug-94	51 Years	-	1,400	0.0	Brother of Mr. Kishore Lulla and Co-brother of Mr. Vijay Ahuja
2	Mr. Kishore Lulla	Executive Director	9,583,200	Bachelor of Arts	30 years+	1-Nov-11	53 Years	-	nil	0.0	Brother of Mr. Sunil Lulla and Co-brother of Mr. Vijay Ahuja
3	Ms. Jyoti Deshpande	Executive Director	8,712,000	Masters in Business Administration	22 years+	1-Jul-12	44 Years	MindShare UK	142,790	0.15	-
4	Ms. Krishika Lulla	Creative Producer	7,000,000	Bachelor of Arts	5 years	1-Jan-14	43 Years	-	1,400	0.0	Spouse of Mr. Sunil Lulla
5	Mr. Nandu Ahuja	SR VP - India Theatrical	15,948,572	Bachelor of Commerce	34 years+	27-Jan-09	52 Years	Balaji Motion Pictures Limited	170	0.0	-
6*	Mr. Kamal Kumar Jain	Chief Financial Officer**	15,909,727	Chartered Accountant	21 years+	4-May-10	43 years	Diligent Media Corporation Limited	Nil	0.0	-
7*	Mr. Sameer Gogate	Chief Development Officer	3,421,281	Bachelor of Engineering (Electronics) and Post Graduate in Marketing	10 years+	24-Nov-14	35 Years	Endemo (I) Ltd	Nil	-	-
8*	Mr. Dinesh Modi	Chief Financial Officer**	2,916,666	Chartered Accountant and Certified Public Accountant	15 years+	25-Nov-14	37 Years	Prana Studios Pvt Ltd	Nil	-	-
9*	Mr. Abhay Bhalerao	Head - Investor Relations	1,450,431	Bachelor of Engineering (Mechanical); Masters in Management Studies in Finance	25 years+	12-Jan-15	49 Years	Equirus Capital Private Limited	Nil	-	-
10*	Mr. Ajit Thakur	CEO - Trinity Pictures	2,923,513	Bachelor of Arts, Masters in Business Administration	15 years+	2-Feb-15	42 Years	Star (I) Ltd	Nil	-	-
11*	Ms. Soundarya Rajnikanth	Director - Creative & Strategy - Eros International South India	16,666,664	Graphic Designer	2 years+	1-Aug-14	30 Years	Self Employed	Nil	-	-

### 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 2014-15  
 \*\* Mr. Kamal Kumar Jain, Chief Financial Officer of the Company resigned from the office as such w.e.f 30 November, 2014 and Mr. Dinesh Modi was appointed as Chief Financial Officer w.e.f. 25 November, 2014.

# Annexure F to Directors' Report

## 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 first proviso to section 188	Nil

### 2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party	Eros World Wide FZ LLC	EM Publishing Private Limited	Copsale Limited	Ayngaran International Media Private Limited	Eros International Films Private Limited	Colour Yellow Productions Private Limited
	Nature of relationship	Holding company	Subsidiary company	Subsidiary company	Subsidiary company	Subsidiary company	Subsidiary company
(b)	Nature of contracts/ arrangements/ transactions	Sale of film right, DVD/VCD, Reimbursement of expense.	Sale of film rights	Sale of film rights	Purchase of film rights	Reimbursement of expense.	Reimbursement of expense.
(c)	Duration of the contracts / arrangements/ transactions	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(e)	Date(s) of approval by the Board, if any:	13-Feb-14	29-May-14	29-May-14	29-May-14	29-May-14	29-May-14
(f)	Amount ₹ Lacs	38,864	8	6,483	225	12	2

# Annexure G to Directors' Report

## EXTRACT OF THE ANNUAL RETURN

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN as on the financial year ended on 31 March, 2015

[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	19/08/1994
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 Tel No: 91 22 266021500 Fax: 91 22 266021540 Email : compliance.officer@erosintl.com
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-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (W), Mumbai-400 078. Tel.91 22-25963838 Fax:91 22-2594 6969; E-mail: rnt.helpdesk@linkintime.co.in 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	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Eros International Plc, Isle of Man Add: 15-19 Athol Street, Douglas, Isle of Man IML 1LB British Isles	116107C	Ultimate Holding	100	2(46)
2	Eros Worldwide FZ-LLC, Add: Office No. 529, Building No. 8, Fifth Floor, Dubai Media City, P.O.Box 502121, Dubai, United Arab Emirates	143	Holding	51.24	2(46)
3	Eros International Films Private Limited Add : 201, Kailash Plaza, Plot No. A - 12, Opp. Laxmi Industrial Estate, Link Road, Andheri (W), Mumbai-400 053	U92113MH1994PTC080423	Subsidiary	99.65	2(87)(ii)
4	Copsale Limited (Isle of Man) Add : Offices of Ansbacher (BVI) Limited, P.O. Box 659, Road Town, Tortola, British Virgin Islands	269307	Subsidiary	100	2(87)(ii)
5	Big Screen Entertainment Private Limited Add: B-301, 302, Brook Hill Tower, 3rd Cross Lane, Andheri (West), Mumbai - 400 053	U92110MH2005PTC156504	Subsidiary	64	2(87)(ii)
6	EyeQube Studios Private Limited Add : 201, Kailash Plaza, Plot No. A - 12, Opp. Laxmi Industrial Estate, Link Road, Andheri (W), Mumbai-400 053	U92120MH2007PTC175027	Subsidiary	99.99	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
7	EM Publishing Private Limited Add : 201, Kailash Plaza, Plot No. A - 12, Opp. Laxmi Industrial Estate, Link Road, Andheri (W), Mumbai-400 053	U92140MH2008PTC178628	Subsidiary	99	2(87)(ii)
8	Eros Animation Private Limited Add : 201, Kailash Plaza, Plot No. A - 12, Opp. Laxmi Industrial Estate, Link Road, Andheri (W), Mumbai-400 053	U92100MH2008PTC186402	Subsidiary	100	2(87)(ii)
9	Digicine Pte. Limited Add: 80 RAFFLES PLACE #26-01 UOB PLAZA Singapore 048624	201207959W	Subsidiary	100	2(87)(ii)
10	Ayngaran International Limited (Isle of Man) Add : PO Box 203 St George's Court, Upper Church Street, Douglas,	117883C	Indirect Subsidiary	51	2(87)(ii)
11	Ayngaran International (Mauritius) Limited Add: IFS Court, Twenty Eight, Cyber City, Ebene, Mauritius	073444C1/GBL	Indirect Subsidiary	100	2(87)(ii)
12	Ayngaran International UK Limited Add: Milner House, 13 Manchester Square, London, England, W1U 3PP	5957372	Indirect Subsidiary	100	2(87)(ii)
13	Ayngaran International Media Private Limited Add: 147/11, 3rd Floor, Rajparis Trimeni Towers, G. N. Chetty Road, T. Nagar, Chennai, Tamil Nadu – 600 017	U92100TN2007PTC072223	Indirect Subsidiary	100	2(87)(ii)
14	Ayngaran Anak Media Private Limited Add: OLD NO.80, OLD NO.42, New Avadi Road, Kilpauk, Chennai, Tamil Nadu – 600 010	U92100TN2008PTC069493	Indirect Subsidiary	51	2(87)(ii)
15	Colour Yellow Productions Private Limited Add: Flat No. 3402, B Wing, Oberoi Spring CHSL, Off New Link Road, Andheri (West), Mumbai – 400 053	U92412MH2013PTC248167	Subsidiary	50	2(87)(i)



#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i. Category-wise Share Holding as on 31 March, 2015

Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2014				No. of Shares held at the end of the year i.e 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters and Promoters Group</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	7,000	-	7,000	0.01	7,000	-	7,000	0.01	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	21,700,000	-	21,700,000	23.59	21,700,000	-	21,700,000	23.46	(0.13)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A1)</b>	<b>21,707,000</b>	<b>-</b>	<b>21,707,000</b>	<b>23.60</b>	<b>21,707,000</b>	<b>-</b>	<b>21,707,000</b>	<b>23.47</b>	<b>(0.13)</b>
<b>(2) Foreign</b>									
Bodies Corporate	47,126,290	-	47,126,290	51.24	47,126,290	-	47,126,290	50.94	(0.3)
<b>Total Shareholding of Promoters (A1+A2)</b>	<b>68,833,290</b>	<b>-</b>	<b>68,833,290</b>	<b>74.84</b>	<b>68,833,290</b>	<b>-</b>	<b>68,833,290</b>	<b>74.41</b>	<b>(0.43)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	222,598	-	222,598	0.24	156,696	-	156,696	0.17	(0.07)
b) Banks / FI	58,976	-	58,976	0.06	31,426	-	31,426	0.03	(0.03)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	806,646	-	806,646	0.88	735,094	-	735,094	0.79	(0.09)
g) FIs	11,805,269	-	11,805,269	12.84	16,310,367	-	16,310,367	17.63	4.79
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investors Corporate	-	-	-	-	1,709,116	-	1,709,116	1.85	1.85
<b>Sub-total (B)(1):-</b>	<b>12,893,489</b>	<b>-</b>	<b>12,893,489</b>	<b>14.02</b>	<b>18,942,699</b>	<b>-</b>	<b>18,942,699</b>	<b>20.48</b>	<b>6.46</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporates	3,640,112	-	3,640,112	3.96	1,770,797	-	1,770,797	1.91	(2.05)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,463,379	46	4,463,425	4.85	1,999,803	3	1,999,806	2.16	(2.69)

ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	641,867	-	641,867	0.70	250,772	-	250,772	0.27	0.43
<b>c) Others (specify)</b>										
	Non Resident Indians (Repat)	246,038	-	246,038	0.27	64,873	-	64,873	0.07	(0.2)
	Non Resident Indians (Non Repat)	315,926	-	315,926	0.34	173,160	-	173,160	0.19	(0.15)
	Clearing Member	938,870	-	938,870	1.02	471,877	-	471,877	0.51	(0.51)
	Trusts	173	-	173	0.00	-	-	-	-	0
		10,246,365	46	10,246,411	11.14	4,731,282	-	4,731,285	5.11	(6.03)
	<b>Sub-total (B)(2):-</b>	<b>23,139,854</b>	<b>46</b>	<b>23,139,900</b>	<b>25.16</b>	<b>23,673,981</b>	<b>3</b>	<b>23,673,984</b>	<b>25.59</b>	<b>0.43</b>
	<b>Total Public Shareholding (B)=(B) (1)+ (B)(2)</b>									
<b>C. Shares held by Custodian for GDR &amp; ADR</b>										
			-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>91,973,144</b>	<b>46</b>	<b>91,973,190</b>	<b>100.00</b>	<b>92,507,271</b>	<b>3</b>	<b>92,507,274</b>	<b>100.00</b>	<b>0</b>

## ii. Shareholding of Promoters and Promoters Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014					Share holding at the end of the year 31.03.2015				
		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	1,400	0.00	0	0	0
2	Eros Worldwide FZ LLC	47,126,290	51.24	0	47,126,290	50.94	47,126,290	50.94	0	0	(0.3)
3	Eros Digital Private Limited	21,700,000	23.59	0	21,700,000	23.46	21,700,000	23.46	0	0	(0.13)
4	Krishika Sunil Lulla	1,400	0.00	0	1,400	0.00	1,400	0.00	0	0	0
5	Meena Arjan Lulla	2,800	0.00	0	2,800	0.00	2,800	0.00	0	0	0
6	Sunil Arjan Lulla	1,400	0.00	0	1,400	0.00	1,400	0.00	0	0	0

## iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year (01-04-2014)		Cumulative Shareholding during the year (31-03-2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
	At the beginning of the year	68,833,290	74.83	68,833,290	74.83
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There is no change in the absolute shareholding of the Promoters during the year.			
	At the End of the year	68,833,290	74.40	68,833,290	74.40

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADR):

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year 01-04-2014		Cumulative Shareholding during the year 31-03-2015	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Indus Capital Advisors (UK) LLP A/C Indus India Fund (Mauritius) Limited</b>		<b>3,877,769</b>		<b>4.22</b>	<b>3,877,769</b>
Less:	11/04/2014	Market Sale	(30,946)	0.03	3,846,823	4.18
Less:	18/04/2014	Market Sale	(35,534)	0.04	3,811,299	4.14
Less:	25/04/2014	Market Sale	(94,692)	0.10	3,716,607	4.04
Less:	02/05/2014	Market Sale	(12,647)	0.01	3,703,960	4.03
Less:	06/06/2014	Market Sale	(22,380)	0.02	3,681,580	4.00
Less:	25/07/2014	Market Sale	(42,813)	0.05	3,638,767	3.95
Less:	22/08/2014	Market Sale	(492,199)	0.53	3,146,568	3.41
Less:	29/08/2014	Market Sale	(236,889)	0.26	2,909,679	3.15
Less:	05/09/2014	Market Sale	(611,664)	0.66	2,298,015	2.49
Less:	17/10/2014	Market Sale	(183,333)	1.17	2,114,682	2.29
Less:	31/10/2014	Market Sale	(86,681)	0.09	2,028,001	2.19
Less:	07/11/2014	Market Sale	(106,404)	0.12	1,921,597	2.08
Less:	14/11/2014	Market Sale	(163,018)	0.18	1,758,579	1.90
Less:	21/11/2014	Market Sale	(100,000)	0.11	1,658,579	1.79
Less:	28/11/2014	Market Sale	(54,745)	0.06	1,603,834	1.73
Less:	05/12/2014	Market Sale	(229,780)	0.25	1,374,054	1.49
Less:	12/12/2014	Market Sale	(32,893)	0.04	1,341,161	1.45
Less:	16/01/2015	Market Sale	(33,274)	0.04	1,307,887	1.41
Less:	30/01/2015	Market Sale	(7,176)	0.00	1,300,711	1.41
Less:	20/03/2015	Market Sale	(2,250)	0.00	1,298,461	1.40
Less:	27/03/2015	Market Sale	(11,395)	0.01	1,287,066	1.39
Less:	31/03/2015	Market Sale	(4,227)	0.00	1,282,839	1.39
At the End of the year (or on the date of separation, if separated during the year)			-	-	<b>1,282,839</b>	<b>1.39</b>
<b>2</b>	<b>Government Pension Fund Global</b>		<b>2,700,000</b>	<b>2.94</b>	<b>2,700,000</b>	<b>2.94</b>
Less:	23/05/2014	Market Sale	(30,000)	0.03	2,670,000	2.90
Less:	17/10/2014	Market Sale	(70,000)	0.03	2,600,000	2.81
Less:	28/11/2014	Market Sale	(26,000)	0.16	2,574,000	2.78
Less:	12/05/2014	Market Sale	(144,000)	0.05	2,430,000	2.63
Less:	12/12/2014	Market Sale	(47,000)	0.02	2,383,000	2.58
Less:	19/12/2014	Market Sale	(23,000)	0.06	2,360,000	2.55
Less:	31/12/2014	Market Sale	(60,000)	0.01	2,300,000	2.49
Less:	02/01/2015	Market Sale	(10,000)	0.06	2,290,000	2.48
Less:	09/01/2015	Market Sale	(60,000)	0.02	2,230,000	2.41
Less:	16/01/2015	Market Sale	(21,267)	0.01	2,208,733	2.39
Less:	23/01/2015	Market Sale	(8,733)	0.03	2,200,000	2.38
Less:	20/02/2015	Market Sale	(30,000)	0.02	2,170,000	2.35
Less:	13/03/2015	Market Sale	(23,000)	0.05	2,147,000	2.32
Less:	27/03/2015	Market Sale	(43,100)	0.00	2,103,900	2.27
Less:	31/03/2015	Market Sale	(3,900)	0.16	2,100,000	2.27
At the End of the year (or on the date of separation, if separated during the year)			-	-	<b>2,100,000</b>	<b>2.27</b>
<b>3</b>	<b>Danske Invest Management Company S.A. A/c Danske Invest SICAV-SIF-Emerging and Frontier Markets SMID</b>		<b>1,273,438</b>	<b>1.38</b>	<b>1,273,438</b>	<b>1.38</b>
Add:	16/05/2014	Market Buy	150,000	0.16	1,423,438	1.55
Add:	23/05/2014	Market Buy	197,765	0.22	1,621,203	1.76
Less:	30/05/2014	Market Sale	(71,203)	0.08	1,550,000	1.69
Less:	22/08/2014	Market Sale	(25,000)	0.03	1,525,000	1.65
Add:	31/10/2014	Market Buy	10,000	0.01	1,535,000	1.66
Less:	28/11/2014	Market Sale	(15,000)	0.02	1,520,000	1.64
Less:	12/05/2014	Market Sale	(50,000)	0.05	1,470,000	1.59
Less:	12/12/2014	Market Sale	(25,000)	0.03	1,445,000	1.56

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year 01-04-2014		Cumulative Shareholding during the year 31-03-2015	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
	Less: 19/12/2014	Market Sale	(40,000)	0.04	1,405,000	1.52
	Less: 31/12/2014	Market Sale	(15,000)	0.02	1,390,000	1.50
	Less: 09/01/2015	Market Sale	(37,000)	0.04	1,353,000	1.46
	Less: 16/01/2015	Market Sale	(31,333)	0.03	1,321,667	1.43
	Less: 23/01/2015	Market Sale	(37,700)	0.04	1,283,967	1.39
	Less: 13/02/2015	Market Sale	(4,797)	0.01	1,279,170	1.38
	Less: 20/02/2015	Market Sale	(15,000)	0.02	1,264,170	1.37
	Less: 06/03/2015	Market Sale	(28,400)	0.03	1,235,770	1.34
	Less: 13/03/2015	Market Sale	(70,000)	0.08	1,165,770	1.26
	Less: 20/03/2015	Market Sale	(25,000)	0.03	1,140,770	1.23
	At the End of the year (or on the date of separation, if separated during the year)		-	-	<b>1,140,770</b>	<b>1.23</b>
<b>4</b>	<b>College Retirement Equities Fund - Stock Account</b>		<b>1,261,991</b>	<b>1.37</b>	<b>1,261,991</b>	<b>1.37</b>
	Add: 23/05/2014	Market Buy	109,100	0.12	1,371,091	1.49
	Add: 06/06/2014	Market Buy	230,181	0.25	1,601,272	1.74
	Add: 15/08/2014	Market Buy	597,118	0.65	2,198,390	2.38
	Add: 29/08/2014	Market Buy	32,036	0.035	2,230,426	2.42
	Less: 05/09/2014	Market Sale	(71,631)	0.07	2,158,795	2.34
	Less: 12/09/2014	Market Sale	(502,097)	0.54	1,656,698	1.80
	Less: 19/09/2014	Market Sale	(198,121)	0.21	1,458,577	1.58
	Less: 12/12/2014	Market Sale	(107,326)	0.12	1,351,251	1.46
	Less: 19/12/2014	Market Sale	(269,471)	0.29	1,081,780	1.17
	Less: 31/12/2014	Market Sale	(264,024)	0.29	817,756	0.88
	Less: 30/01/2015	Market Sale	(41,111)	0.04	776,645	0.84
	Less: 06/02/2015	Market Sale	(170,936)	0.18	605,709	0.65
	Less: 13/02/2015	Market Sale	(51,893)	0.06	553,816	0.60
	Less: 20/02/2015	Market Sale	(183,998)	0.20	369,818	0.40
	At the End of the year (or on the date of separation, if separated during the year)		-	-	<b>369,818</b>	<b>0.40</b>
<b>5</b>	<b>Life Insurance Corporation of India</b>		<b>806,646</b>	<b>0.88</b>	<b>806,646</b>	<b>0.88</b>
	Less: 13/03/2015	Market Sale	(6383)	0.00	800,263	0.87
	Less: 20/03/2015	Market Sale	(130,338)	0.14	735,094	0.79
	At the End of the year (or on the date of separation, if separated during the year)		-	-	<b>735,094</b>	<b>0.79</b>
<b>6</b>	<b>National Westminster Bank Plc As Trustee of the Jupiter India Fund</b>		<b>675,000</b>	<b>0.73</b>	<b>675,000</b>	<b>0.73</b>
	Add: 30/06/2014	Market Buy	134,765	0.15	809,765	0.88
	Add: 04/07/2014	Market Buy	240,235	0.26	1,050,000	1.14
	Add: 07/11/2014	Market Buy	87,000	0.09	1,137,000	1.23
	Less: 13/03/2015	Market Sale	(47,143)	0.05	1,089,857	1.18
	At the End of the year (or on the date of separation, if separated during the year)		-	-	<b>1,089,857</b>	<b>1.18</b>
<b>7</b>	<b>Jupiter South Asia Investment Company Limited - South Asia Access Fund</b>		<b>375,000</b>	<b>0.41</b>	<b>375,000</b>	<b>0.41</b>
	Add: 30/06/2014	Market Buy	4,882	0.00	379,882	0.41
	Add: 04/07/2014	Market Buy	120,118	0.13	500,000	0.54
	Add: 07/11/2014	Market Buy	13,000	0.01	513,000	0.56
	Less: 13/03/2015	Market Sale	(14,934)	0.01	498,066	0.54
	At the End of the year (or on the date of separation, if separated during the year)		-	-	<b>498,066</b>	<b>0.54</b>
<b>8</b>	<b>Shilpa Stock Broker Pvt. Ltd.</b>		<b>323,485</b>	<b>0.35</b>	<b>323,485</b>	<b>0.35</b>
	Add: 11/04/2014	Market Buy	5,974	0.02	329,459	0.36
	Add: 18/04/2014	Market Buy	14,922	0.01	344,381	0.37
	Less: 25/04/2014	Market Sale	(12,249)	0.00	332,132	0.36
	Less: 02/05/2014	Market Sale	(1,535)	0.01	330,597	0.36

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year 01-04-2014		Cumulative Shareholding during the year 31-03-2015	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
Less:	09/05/2014	Market Sale	(10,920)	0.01	319,677	0.35
Less:	16/05/2014	Market Sale	(11,138)	0.01	308,539	0.34
Less:	23/05/2014	Market Sale	(9,388)	0.04	299,151	0.33
Add:	30/05/2014	Market Buy	32,907	0.05	332,058	0.36
Less:	06/06/2014	Market Sale	(47,048)	0.03	285,010	0.31
Less:	13/06/2014	Market Sale	(25,008)	(0.06)	260,002	0.28
Less	20/06/2014	Market Sale	(59,604)	0.00	200,398	0.22
Add:	30/06/2014	Market Buy	3,878	0.00	204,276	0.22
Less	04/07/2014	Market Sale	(3,675)	0.06	200,601	0.22
Add:	11/07/2014	Market Buy	59,517	0.01	260,118	0.28
Add:	18/07/2014	Market Buy	7,327	0.00	267,445	0.29
Less:	25/07/2014	Market Sale	(2,597)	0.00	264,848	0.29
Less:	01/08/2014	Market Sale	(110)	0.00	264,738	0.29
Less:	08/08/2014	Market Sale	(2,095)	0.00	262,643	0.28
Less:	15/08/2014	Market Sale	(1,007)	0.01	261,636	0.28
Less:	22/08/2014	Market Sale	(11,310)	0.06	250,326	0.27
Less:	29/08/2014	Market Sale	(59,836)	0.01	190,490	0.21
Add:	05/09/2014	Market Buy	12,545	0.01	203,035	0.22
Add:	12/09/2014	Market Buy	5,208	0.00	208,243	0.23
Less:	19/09/2014	Market Sale	(1,518)	0.05	206,725	0.22
Less:	30/09/2014	Market Sale	(46,283)	0.00	160,442	0.17
Less:	10/10/2014	Market Sale	(3)	0.01	160,439	0.17
Add:	17/10/2014	Market Buy	9,703	0.02	170,142	0.18
Add:	24/10/2014	Market Buy	22,351	0.00	192,493	0.21
Less	31/10/2014	Market Sale	(1,969)	0.00	190,524	0.21
Add:	07/11/2014	Market Buy	319	0.00	190,843	0.21
Less	14/11/2014	Market Sale	(804)	0.00	190,039	0.21
Less:	21/11/2014	Market Sale	(2,847)	0.01	187,192	0.20
Less:	28/11/2014	Market Sale	(11,611)	0.01	175,581	0.19
Less:	05/12/2014	Market Sale	(6,361)	0.00	169,220	0.18
Less	19/12/2014	Market Sale	(140)	0.00	169,360	0.18
Less:	31/12/2014	Market Sale	(2,092)	0.01	167,268	0.18
Less:	02/01/2015	Market Sale	(10,223)	0.02	157,045	0.17
Add:	09/01/2015	Market Buy	21,138	0.03	178,183	0.19
Less:	16/01/2015	Market Sale	(28,307)	0.00	149,876	0.16
Less:	23/01/2015	Market Sale	(37)	0.00	149,839	0.16
Add:	30/01/2015	Market Buy	4,501	0.00	154,340	0.17
Add:	06/02/2015	Market Buy	400	0.00	154,740	0.17
Add:	13/02/2015	Market Buy	212	0.00	154,952	0.17
Less:	20/02/2015	Market Sale	(4,607)	0.00	150,345	0.16
Less	06/03/2015	Market Sale	(2,000)	0.03	148,345	0.16
Less	13/03/2015	Market Sale	(27,000)	0.00	121,345	0.13
Add:	20/03/2015	Market Buy	486	0.00	121,831	0.13
Less	27/03/2015	Market Sale	(4,100)	0.00	117,731	0.13
Add:	31/03/2015	Market Buy	150	0.02	117,881	0.13
At the End of the year (or on the date of separation, if separated during the year)			-	-	117,881	0.13
9	Kailash Auto Finance Limited		321,785	0.35	321,785	0.35
At the End of the year (or on the date of separation, if separated during the year)			-	-	321,785	0.35
10	MV SCIF Mauritius		269,711	0.29	269,711	0.29
Add:	11/04/2014	Market Buy	20,664	0.02	290,375	0.32
Add:	02/05/2014	Market Buy	5,900	0.01	296,275	0.32
Add:	09/05/2014	Market Buy	20,650	0.02	316,925	0.34
Add:	16/05/2014	Market Buy	50,187	0.05	367,112	0.40

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year 01-04-2014		Cumulative Shareholding during the year 31-03-2015	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
Add:	23/05/2014	Market Buy	5,902	0.01	373,014	0.41
Add:	30/05/2014	Market Buy	20,686	0.02	393,700	0.43
Add:	06/06/2014	Market Buy	20,594	0.02	414,294	0.45
Add:	13/06/2014	Market Buy	76,492	0.08	490,786	0.53
Less	20/06/2014	Market Sale	(27)	0.00	490,759	0.53
Less	30/06/2014	Market Sale	(14,850)	0.02	475,909	0.52
Add:	04/07/2014	Market Buy	17,766	0.02	493,675	0.54
Less	11/07/2014	Market Sale	(2,961)	0.00	490,714	0.53
Less	18/07/2014	Market Sale	(14,815)	0.02	475,899	0.52
Add:	25/07/2014	Market Buy	14,805	0.02	490,704	0.53
Less	08/08/2014	Market Sale	(11,859)	0.01	478,845	0.52
Less	15/08/2014	Market Sale	(17,791)	0.02	461,054	0.50
Less:	22/08/2014	Market Sale	(20,762)	0.02	440,292	0.48
Less:	30/09/2014	Market Sale	(26,916)	0.03	413,376	0.45
Less:	10/10/2014	Market Sale	(27,238)	0.03	386,138	0.42
Less:	17/10/2014	Market Sale	(12,104)	0.01	374,034	0.40
Less:	24/10/2014	Market Sale	(18,186)	0.02	355,848	0.39
Less:	31/10/2014	Market Sale	(1,013)	0.00	354,835	0.38
Add:	14/11/2014	Market Buy	2,067	0.00	356,902	0.39
Less:	21/11/2014	Market Sale	(1,092)	0.00	355,810	0.38
Add:	05/12/2014	Market Buy	6,244	0.01	362,054	0.39
Add:	12/12/2014	Market Buy	3,003	0.00	365,057	0.39
Less:	19/12/2014	Market Sale	(8,961)	0.01	356,096	0.39
Less:	31/12/2014	Market Sale	(58,156)	0.06	297,940	0.32
Add:	02/01/2015	Market Buy	8,208	0.01	306,148	0.33
Add:	13/02/2015	Market Buy	7,509	0.01	313,657	0.34
Less:	23/03/2015	Market Sale	(13,296)	0.01	300,361	0.32
Add:	31/03/2015	Market Buy	2,531	0.00	302,892	0.33
At the End of the year (or on the date of separation, if separated during the year)			-	-	<b>302,892</b>	<b>0.33</b>

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

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Mr. Sunil Lulla - Executive Vice Chairman and Managing 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	1,400	0
<b>2</b>	<b>Mr. Kishore 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	0	0
<b>3</b>	<b>Mr. Vijay Ahuja - Non Executive Non 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	0	0

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
<b>4</b>	<b>Ms. Jyoti Deshpande - Executive Director</b>	142,790	0.16	142,790	0.15
	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	142,790	0.15	142,790	0.15
<b>5</b>	<b>Mr. Naresh Chandra - 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	0	0
<b>6</b>	<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	0	0
<b>7</b>	<b>Dr. Shankar Nath Acharya* - 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	0	0
<b>8</b>	<b>Ms. Dimple Mehta - Key Managerial Personnel</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	0	0
<b>9</b>	<b>Mr. Dinesh Modi - Key Managerial Personnel</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	0	0

\* Resigned w.e.f. 30 April, 2015

## V. Indebtedness

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

₹ in lacs

	Secured Loans excluding deposits	Unsecured Loans	Loan from Related Party	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	29,245	13,711	408	43,364
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	70	-	-	70
<b>Total (i+ii+iii)</b>	<b>29,315</b>	<b>13,711</b>	<b>408</b>	<b>43,434</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	34,531	68,200	27	102,778
Reduction	(33,000)	(65,911)	(40)	(98,991)
Net Change	1,531	2,289	(13)	3,807



	Secured Loans excluding deposits	Unsecured Loans	Loan from Related Party	Total indebtedness
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	30,776	16,000	395	47,171
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	203	-	-	203
<b>Total (i+ii+iii)</b>	<b>30,979</b>	<b>16,000</b>	<b>395</b>	<b>47,374</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of Managing Director Mr. Sunil Lulla	Total Amount (₹)
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31,944,000	31,944,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1,239,600	1,239,600
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission		
	- as % of profit	0	0
	- others, Specify	0	0
5	Others, please specify (Bonus)	5,324,000	5,324,000
	<b>Total (A)</b>	<b>38,507,600</b>	<b>38,507,600</b>
	Ceiling as per the Act		62,094,659

### B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount (₹)
1	<b>Independent Directors</b>		
➤	Fees for attending Board/Committee meetings	Mr. Naresh Chandra	640,000
		Mr. Dharendra Swarup	680,000
		Dr. Shankar Nath Acharya (upto 30 April, 2015)	520,000
➤	Commission	Mr. Naresh Chandra	5,100,000
		Mr. Dharendra Swarup	2,550,000
		Dr. Shankar Nath Acharya (upto 30 April, 2015)	2,550,000
➤	Others (Reimbursement of maintenance of Chairman's office and expenses incurred towards performance of duties as Chairman)	Mr. Naresh Chandra	600,000
	<b>Total (1)</b>		<b>12,640,000</b>
2	<b>Other Non-Executive Directors</b>	Mr. Vijay Ahuja (w.e.f 13 February, 2015)	
➤	Fees for attending Board/Committee meetings		Nil
➤	Commission		Nil
➤	Others, please specify		Nil
	<b>Total (2)</b>		Nil
	<b>Total (B) = (1)+(2)</b>		<b>12,640,000</b>
	<b>Total Managerial Remuneration</b>	<b>A+B</b>	<b>51,147,600</b>
	Overall ceiling as per the Act		1,36,608,250

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

Sr. No.	Particulars of Remuneration	Previous Chief Financial Officer	Key Managerial Personnel		Total
			Chief Financial Officer	Company Secretary & Compliance Officer	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,725,402	2,916,666	2,776,404	14,418,472
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	3,569,325	0	0	3,569,325
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	3,615,000	0	0	3,615,000
2	Stock Option		0	0	0
3	Sweat Equity		0	0	0
4	Commission				
	- as % of profit		0	0	0
	- others, specify...		0	0	0
5	Others, please specify		0	0	0
	<b>Total</b>	<b>15,909,727</b>	<b>2,916,666</b>	<b>2,776,404</b>	<b>21,602,797</b>

**VII. Penalties / Punishment/ Compounding of offences:**

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 to Directors' Report

Corporate Social Responsibility (CSR) (Annexure to Directors Report)

Sr. Particulars No.	Details about CSR														
1. Brief outline of the Company's CSR policy,	The Company's CSR vision is to make concerted efforts towards promotion of education amongst the underprivileged and women empowerment.														
2. Overview of projects or programs undertaken/ proposed to be undertaken	<p>In accordance with the Company's CSR Policy and its vision, the Company participated in CSR activities with "Arpan" and "Educate Girls", the registered NGOs, details of which are as follows:</p> <p>a. Arpan, which focus on prevention of Child Sex Abuse (CSA), conducted several awareness session with target groups in order to create greater sensitivity and awareness about the issue of CSA, Training the Teachers, Personal Safety Education Programme etc with the amount donated by the Company. The details of the outreach/impact have been stated below.</p> <p>b. The Company participated with Educate Girls, an NGO, who aims at increase girls enrolment and retention, improvise school governance and infrastructure, improve quality of teaching etc. The details of the outreach/impact have been stated below.</p>														
3. Reference to the web-link to the CSR policy and projects or programs:	The details of CSR are also uploaded on website on following link <a href="http://www.erosintl.com">www.erosintl.com</a> For further details about the Projects and programs, click on the following links. <a href="http://www.arpan.org.in">www.arpan.org.in</a> & <a href="http://www.educategirls.in">www.educategirls.in</a>														
4. Composition of the CSR Committee.	<p>Members of the Committee</p> <p>➤ Mr. Naresh Chandra [Non-Executive Independent Director] (Chairman)</p> <p>➤ Mr. Kishore Lulla [Executive Director]</p> <p>➤ Mr. Sunil Lulla [Executive Director]</p> <p>➤ Ms. Jyoti Deshpande [Executive Director]</p>														
5. Average net profit of the company for last three financial years	<p>Net Profit before Tax</p> <table><tr><th>Particulars</th><th>₹ in Cr</th></tr><tr><td>2013-14</td><td>185</td></tr><tr><td>2012-13</td><td>179</td></tr><tr><td>2011-12</td><td>173</td></tr><tr><td>Total NPBT</td><td>537</td></tr><tr><td>Average NPBT</td><td>179</td></tr><tr><td>2% of Average NPBT</td><td>3.58</td></tr></table>	Particulars	₹ in Cr	2013-14	185	2012-13	179	2011-12	173	Total NPBT	537	Average NPBT	179	2% of Average NPBT	3.58
Particulars	₹ in Cr														
2013-14	185														
2012-13	179														
2011-12	173														
Total NPBT	537														
Average NPBT	179														
2% of Average NPBT	3.58														
6. Prescribed CSR Expenditure (two per cent of the amount as in item 5 above)	₹ 3.58 Crores														
7. Details of CSR spent during the financial year															
a. Total amount spent in FY 2014-2015	<table><tr><td>1. NGO Arpan</td><td>-</td><td>₹ 50 lacs</td></tr><tr><td>2. NGO Educate Girls</td><td>-</td><td>₹ 5 lacs</td></tr><tr><td><b>Total</b></td><td><b>-</b></td><td><b>₹ 55 lacs</b></td></tr></table>	1. NGO Arpan	-	₹ 50 lacs	2. NGO Educate Girls	-	₹ 5 lacs	<b>Total</b>	<b>-</b>	<b>₹ 55 lacs</b>					
1. NGO Arpan	-	₹ 50 lacs													
2. NGO Educate Girls	-	₹ 5 lacs													
<b>Total</b>	<b>-</b>	<b>₹ 55 lacs</b>													
b. Amount unspent, if any;	Unspent CSR amount is ₹ 3.03 crores in FY 2014-2015														

c. Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other 2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads; (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Fund program activities (enrollment, retention & learning outcomes of marginalized girls) in Sanchore block of Jalore district in Rajasthan state	Public education (primary & upper primary)	State - Rajasthan District - Jalore Block - Sanchore	INR 500,000 in FY' 2014-15	Direct expenditure on program.  Minimal overheads (>10% of overall budget)		Implementing agency - Foundation to Educate Girls Globally  NGO Registered under Section 8 of the Indian Companies Act.
2	Fund program activities (Personal Safety Education Programme in Schools, Educating Adults on Child Sexual abuse through awareness sessions, Training and Capacity building to educate and train professionals)	Education	State - Maharashtra District - Thane Block - Mumbai	INR 50,00,000 in FY' 2014-15	Direct expenditure on program.  Minimal overheads (>10% of overall budget)	INR 55,00,000 in FY' 2014-15	Implementing agency - ARPAN  NGO Registered under Section 8 of the Indian Companies Act.

8.	Reasons for not spending the amount of two per cent of the average net profit of the last three financial years	<p>The Company was required to spend a sum of ₹ 3.58 crores in the Financial year 2014-2015, being 2% of average net profit of last three years. However, the Company during the financial year 2014-15 has spend ₹ 55 lacs towards its CSR expenses by way of contribution to Arpan for purpose of Child Sexual Abuse Project and to Educate Girls foundation.</p> <p>The Company is in the process of identifying the right charitable initiatives to be associated with and therefore, in the current financial year there was a shortfall of contribution of ₹ 3.03 crores towards the CSR activities.</p>
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## 9. Statement by CSR Committee is stated below:

We the Members of 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.

**Mr. Naresh Chandra**  
Chairman of CSR Committee

**Mr. Sunil Lulla**  
Member of CSR Committee

**Mr. Kishore Lulla**  
Member of CSR Committee

**Ms. Jyoti Deshpande**  
Member of CSR Committee

# Management Discussion and Analysis

## MACROECONOMIC ENVIRONMENT IN INDIA

The last year has been a fortuitously good one for the Indian economy with a sea change in the macroeconomic factors. According to International Monetary Fund (IMF), India will emerge as the fastest growing economy in the world in 2015.

### % GDP Growth Rates of Select Countries

Regions	Actuals		Projections	
	2013	2014	2015	2016
World Output	3.4	3.4	3.5	3.8
United States	2.2	2.4	3.1	3.1
United Kingdom	1.7	2.6	2.7	2.3
China	7.8	7.4	6.8	6.3
India	6.9	7.2	7.5	7.5

(Source: International Monetary Fund, April 2015)

The Indian economy is expected to benefit from pro-reform Government, recovery of business confidence, improving global standing, lower oil prices and easing interest rate scenario amongst other factors. India's population of over 1.2 billion with a median age of 27 years, a large working age population and a growing consumer class with higher disposable incomes makes it one of the most exciting consumer markets in the world.

## INDIAN MEDIA AND ENTERTAINMENT INDUSTRY

According to The FICCI-KPMG report, the Indian Media and Entertainment industry is expected to grow at a CAGR of 13.9% from ₹ 1,026 billion in 2014 to ₹ 1,964 billion by 2019, at a growth rate twice that of the global media and entertainment industry. The industry has seen an encouraging trend due to increasing digitization and higher internet usage over the last decade.

### Indian Media and Entertainment Industry Outlook

Overall Industry Size	2014	2015(P)	2016(P)	2017(P)	2018(P)	2019(P)	₹ Billion
							CAGR % 2014-2019
TV	474.9	543.2	631.2	739.6	854.6	975.5	15.5%
Print	263.4	284.5	307.1	331.9	358.0	386.8	8.0%
Films	126.4	136.3	155.6	170.7	186.3	204.0	10.0%
Radio	17.2	19.6	22.3	27.0	32.7	39.5	18.1%
Music	9.8	10.4	12.0	14.2	16.9	18.9	14.0%
OOH	22.9	24.4	27.1	29.6	32.2	35.1	9.8%
Animation and VFX	44.9	51.0	58.7	68.5	80.6	95.5	16.3%
Gaming	23.5	27.5	31.8	35.4	40.0	45.8	14.3%
Digital Advertising	43.5	62.5	84.0	115.3	138.2	162.5	30.2%
<b>Total</b>	<b>1,026</b>	<b>1,159</b>	<b>1,330</b>	<b>1,532</b>	<b>1,740</b>	<b>1,964</b>	<b>13.9%</b>

The film industry is seeing a significant growth trend backed by differentiated content, larger releases across digital screens and aggressive promotions by production houses. The growing box office collections indicate the audiences' growing appetite for differentiated content. Within the Media & Entertainment industry, the film industry performance as per various revenue streams is as follows:

Revenues	2014	2015(P)	2016(P)	2017(P)	2018(P)	2019(P)	₹ Billion
							CAGR 2014-19
Domestic Theatrical	93.5	99.9	113.6	123.5	133.7	145.1	9.2%
Oversees Theatrical	8.6	9.6	10.9	11.9	12.9	13.9	10.1%
Home Video	1.2	1.0	0.9	0.8	0.7	0.6	-12.2%
Cable & Satellite Rights	14.7	15.5	17.6	19.2	20.8	22.5	8.8%
Ancillary Revenue Streams	8.4	10.3	12.5	15.4	18.3	21.8	21.0%
<b>Total</b>	<b>126.4</b>	<b>136.3</b>	<b>155.6</b>	<b>170.7</b>	<b>186.3</b>	<b>204.0</b>	<b>10.0%</b>

## DOMESTIC THEATRICALS

The domestic theatricals segment is the largest revenue stream for the Indian film industry. In line with the muted consumption sentiment in the economy during the year, the theatrical segment size increased by a miniscule 0.1% owing to lower footfalls in the first three quarters and lower growth in average ticket prices (ATP). However, despite this overall reflection of economic sentiment in the shorter term, the growing impact of regional cinema and the highly underpenetrated nature of India Exhibition are clear structural opportunities. The domestic theatrical segment is expected to reach ₹ 204 billion by end of 2019 and grow at a CAGR of 10% during 2014-2019.

## GROWING IMPACT OF REGIONAL CINEMA

2014 was a significant year for Regional cinema with an all-time high number of releases. 287 Tamil and 255 Telugu language films were released in 2014 as compared to 216 Hindi films. 'Lingaa' became the first Tamil film to enjoy the widest release across 5,000 screens worldwide.

Among regional cinema, South Indian markets-Tamil, Telugu, Kannada, and Malayalam, remained frontrunners however, Marathi and Punjabi film industries also saw a few films break box-office records.

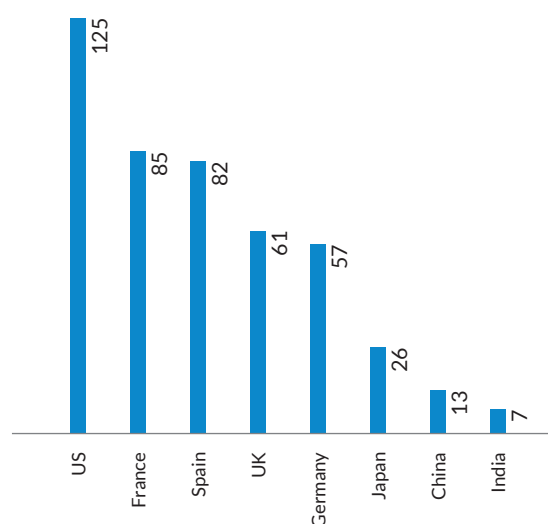
Many domestic exhibitors are now willing to give more screen space to regional cinema and sometimes even prefer a good regional film over a Hindi film.

## LOW SCREEN PENETRATION SUGGEST A LONG HORIZON OF GROWTH IN THEATRICAL REVENUES

A big avenue for growth in the theatrical revenues is the screen penetration. While the emergence of multiplex screens in the last decade has changed the film exhibition space in India, there is a huge opportunity to increase the number of screens much further without causing oversupply.

The number of screens per million of population for some of the countries is as follows:

## Number of Screens per Million Population



Source: OBC, MPA, UNESCO, US Census, KPMG in India Analysis

A lot of screen build-out is now being focused on the Tier 2 and 3 cities and also in converting single screen property into multiple screens, which can offer much better financial viability.

## CABLE & SATELLITE

The second largest revenue stream for the industry was revenues from Cable & Satellite(C&S) which was at ₹ 14.7 billion in 2014, a de-growth of 2.7%.

Films continue to be an essential fare in Hindi and Regional Movie Channels, Hindi and Regional Music Channels and are also an important fare on the General Entertainment Channels.

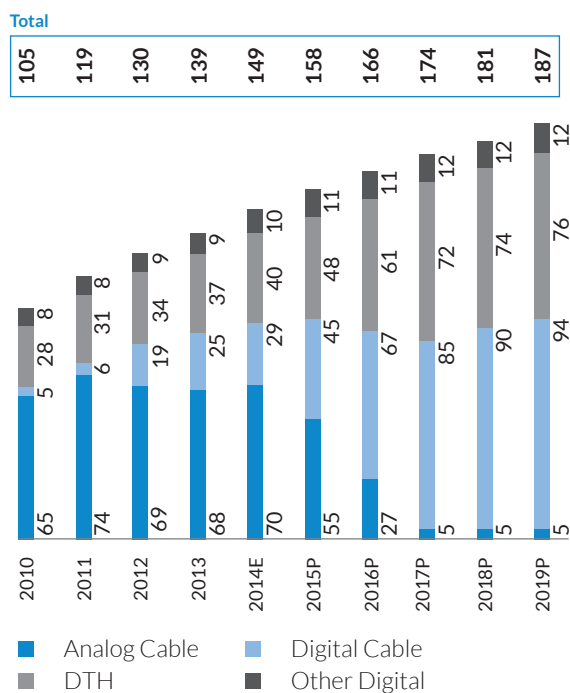
While the prices in the financial year were soft, to adjust for this softness in the cable and satellite revenues and to maintain profitability, seasoned producers took a cautious approach in budgeting the production cost of films.

With 168 million TV households with only 61% TV penetration till date, India is the world's second largest television market after China but remains highly unstructured. While as mandated by the Ministry of Information and Broadcasting, Phase I and II of digitization (typically covering urban areas) is already complete, the Phase III and IV is expected to be complete by December 2015 & 2016 respectively.

Digitization has changed the role of Multi-System Operators (MSOs) from being a B2B service provider to a B2C service provider and it is taking time for MSOs to build internal processes to reflect this change in business model. This, coupled with continuing resistance from LCOs, has resulted in delays in implementation of gross billing and rollout of channel packages in Phase I and II cities. According to industry participants, higher collection per subscriber is possible only after the end-customers start paying for what they watch, instead of paying for the base pack and receiving all channels.

While the implementation will take time as it took in other markets such as China, once fully implemented, this will create new windows for content exploitation such as Premium/Pay TV and Pay-per-view - which are large monetization opportunities in developed markets.

## No. of Subscribers



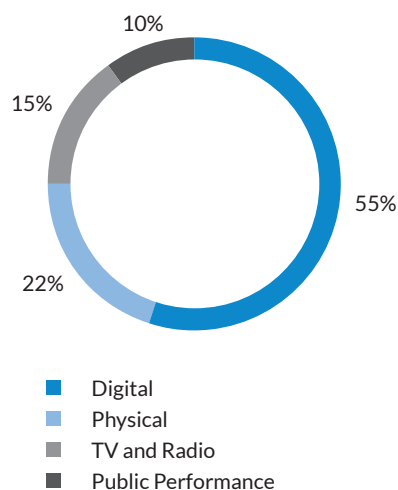
Source: KPMG in India analysis, Industry discussions conducted by KPMG in India

## MUSIC

The Indian music industry is estimated to be worth ₹ 9.8 billion and is expected to grow at a CAGR of 14% from 2014-2019. In 2014, 55% of revenues came from digital sales and a 20% revenue share from physical sales.

The sale of film music rights for big budget films was in range of ₹100-150 million while Category B films ranged from ₹ 30 to 50 million.

## Share of Music Revenue Based on Sources of Distribution



Source: Industry discussions conducted by KPMG in India

## ANCILLARY REVENUE STREAMS

Ancillary revenue streams are increasing their share in the overall revenue pie. This segment witnessed 19.7% increase from ₹ 7 billion in 2013 to ₹ 8.4 billion in 2014. This comprises of in-cinema advertising, licensing and merchandising which is witnessing a growing collaboration between brands and filmmakers and most importantly Digital, which has great potential in the coming years.

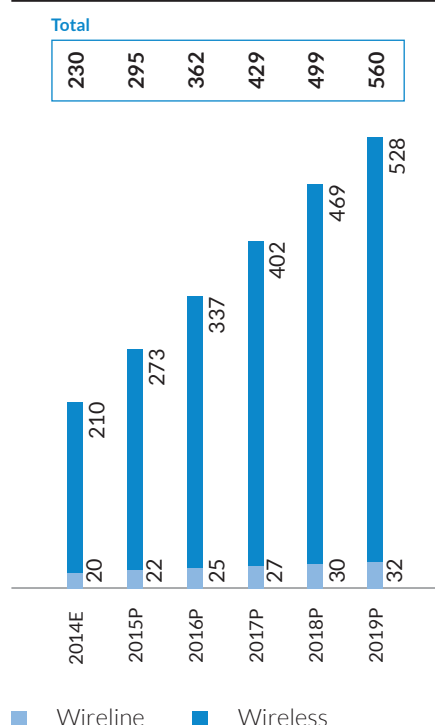
## DIGITAL OPPORTUNITY

India is the second largest internet-enabled market next to China and ahead of the USA, with 281 million users which are expected to reach 640 million users in 5 years time.



The total number of wired internet connections stands at 20 million, whereas there are 210 million wireless internet connections in the country. Driven by the reduction in tariffs of 2G and 3G data services and the much awaited introduction of 4G services soon, the number of wireless internet connections is estimated to reach 402 million by 2017 and 528 million by 2019.

### India Internet Connections, 2014(E)-2019(P)

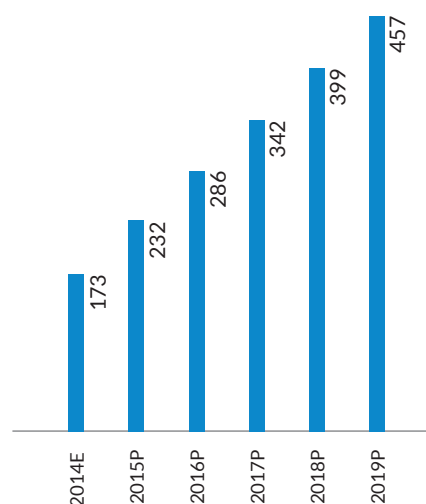


Source: KPM G in India analysis

This wave of growth has been primarily been led by the growing penetration of internet enabled smartphones, the availability of low-cost smartphones in sub ₹ 5,000 range and Indian telecom operators offering very low data rates.

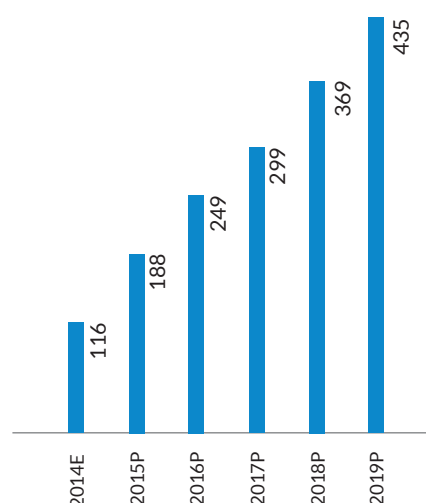
The rollout of pan-India 4G services by Reliance Jio, Airtel etc. is being eagerly awaited as a transformational development for the consumption of media in digital form. Even now the growth of 3G data volumes at 440% has been almost five times of the 2G data volumes at 90% and that augurs very well for the launch of 4G services.

### Mobile Internet Users in India, 2014(E)-2019(P) (Million Users)



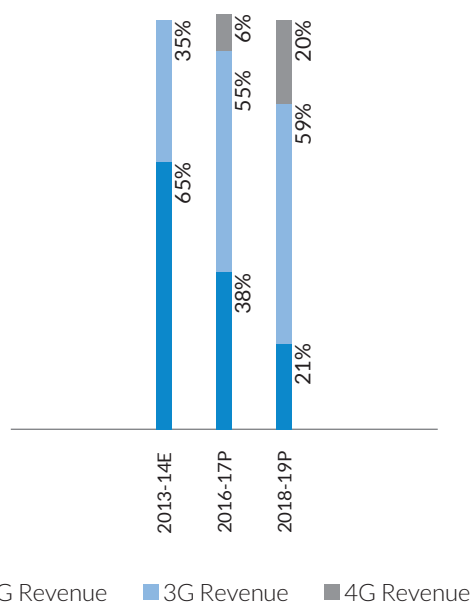
Source: KPMG in India analysis

### Internet Enabled Smartphones in India, 2014(E)-2019(P) (Million)



Source: KPMG in India analysis, IDC and eMarketer estimates, 2014

## Breakup of Data Services Revenues from 2G, 3G and 4G



Source: CRISIL Data Services Report, 2014

4G rollout is expected to be a major game changer in unlocking digital revenues in the media industry over the medium term.

### MARKETING AND DISTRIBUTION

Digitization of screens has allowed distributors to release films simultaneously across thousands of screens, as a result of which almost 60-80% of theatrical revenues are now collected in the first week of release. To generate large openings, large films can have marketing spends from ₹ 100-200 million depending on the scale of release to handle an elaborate marketing mix: television, print, radio, OOH, in-cinema advertisements, social media, live events, merchandising, mobile apps, mobile games, and other digital media at their disposal. Like box office collections, the number of tweets, Facebook likes and YouTube hits have also become important indicators for the movie success. The Print & Advertising (P&A) spends, though growing, still continues to be 15-20% of a large movie production budget as compared to Hollywood where P&A spends can sometimes exceed movie budgets.

The release window continues to play an important role in deciding the release strategy for any film. The film makers consciously decide to release their films during festival

seasons, long weekends and summer/winter vacations and avoid clashes with any major sporting events.

### COMPANY OVERVIEW

Eros International Media Limited (Eros International) is a leading global Company in the Indian filmed Entertainment Industry. Eros International is part of Eros International Plc, which is India's first Media and Entertainment Company to list on the New York Stock Exchange (NYSE). Eros International co-produces, acquires and distributes Indian language films globally in multiple formats, such as theatrical, cable and satellite and digital new media platforms.

Eros International has over three decades of experience in establishing a global platform for Indian language films. The Company's success is built on the relationships nurtured consistently for a long period with leading talent, production companies, exhibitors and other key industry participants. The Company has a competitive advantage through its extensive and growing film library comprising of over 2000+ films, which includes Hindi, Tamil and other regional language films.

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.

Eros International has established a robust business model through de-risking approach by pre-licensing the content before the theatrical release of the film and this pre-sales reduces the revenue risk and ensures a higher predictability for the profits and cash flows.

### STRATEGIC OVERVIEW

The Company has successfully delivered to its strategy during the financial year which had a very positive impact on the long term objectives of the Company. The thought process during the year was to continue focusing on unlocking the value of our catalogue of Hindi and other regional language films.

- Continued film slate investment to co-produce, acquire and distribute high quality content across languages, genres and budgets to capitalize on positive industry trends
- Expand our regional language content offerings to include more number of films in more regional languages
- Investment in establishing Trinity Pictures, where Eros will retain 100% IPR, as a premium production label identified with building franchise-led films in the Indian market

- Foray into international co-productions with promising markets such as China
- Increase our distribution of content, including creation of original content through digital platforms such as ErosNow, thereby leveraging talent relationships within the Indian film industry

## OPERATIONAL OVERVIEW

### Diversified Portfolio of Releases

During FY 2015, Eros International released 64 films in multiple languages comprising 44 Hindi, 20 Tamil and other regional languages. These include 'NH10', 'Badlapur', 'Tevar', 'Shamitabh', 'Action Jackson', 'Lingaa' (Multi-lingual), 'Kaththi' (Tamil), 'Kochadaiyaan' (Multi-lingual), 'Aagadu' (Telugu), 'Singham Returns' (Overseas), 'Mary Kom' (Overseas), 'Ek Villain' (Overseas), 'Main Tera Hero' (Overseas) and other regional languages.

### New International Markets

We signed landmark deals with three major Chinese state owned film and entertainment companies to promote, co-produce, distribute and unlock value in respective intellectual properties for Sino-Indian films across all platforms in both the countries through co-productions, dubbed releases and remakes.

### Launched Trinity Pictures

The Company launched Motion Pictures Production Company – Trinity Pictures which will focus on developing intellectual property in-house with special emphasis on franchise films.

### Focus on Digital Opportunity through ErosNow

ErosNow<sup>(1)</sup> has strong potential to draw digital revenues with over 14 million registered users in India (combination of free, transactional and premium users) across all its platforms. Music monetization continued to be strong with a combination of licensing and self-distribution deals.

## FINANCIAL OVERVIEW

All figures below are as per consolidated financial results for FY 2014-15.

Snapshot	2014-15	2013-14	₹ in Million Growth%
Total income	14,410.3	11,396.4	26.4
EBIT	3,615.5	2,997.1	20.6
EBIT Margins (%)	25.1	26.3	
PAT	2,470.6	1,996.9	23.7

### Segmental Revenue Break-up

Theatrical Revenue	Overseas Revenues	TV and Others revenue
₹ 5,475.9 million	₹ 4,510.5 million	₹ 4,423.9 million
38.0% of revenue	31.3% of revenue	30.7% of revenue

### Total Revenues

Consolidated total income increased by 26.4% to ₹ 14,410.3 million in FY2015 compared to ₹ 11,396.4 million in FY2014.

- Reported healthy growth in revenues on the back of new movie releases and robust monetization of catalogue films
- 64 films were released during FY2015 including 44 Hindi and 20 Tamil/Telugu films as compared to 69 films during FY2014, which included 37 Hindi, 30 Tamil/Telugu and 2 regional language films
- Strong theatrical performance during the period was driven by the success of global and overseas releases namely 'NH10', 'Tevar', 'Action Jackson', 'Happy Ending', 'Shamitabh', 'Lingaa' (Multi-lingual), 'Kaththi' (Tamil), 'Kochadaiyaan' (Multi-Lingual), 'Aagadu' (Telugu), 'Singham Returns' (Overseas), 'Mary Kom' (Overseas), 'Ek Villain' (Overseas), 'Main Tera Hero' (Overseas), and other regional language releases

### Purchase/ Operating expenses

Purchases/ operating expenses have increased by 21.6% to ₹ 9,399.5 million in FY2015, compared to ₹ 7,732.5 million in FY 2014. This increase in-line with increase in revenues and reflects the film slate.

Amortisation of film rights during FY 2015 stood at ₹ 4,975.6 million compared to ₹ 4,600.4 million in FY 2014. Film right cost during FY 2015 stood at ₹ 3,025.3 million compared to ₹ 2,188.7 million in FY 2014. Other expenses comprising of print, advertising, and associated expenses stood at ₹ 1,398.6 million in FY 2015 compared to ₹ 943.4 million in FY 2014.

### Employee benefits expense

Employee benefits expense increased by 27.3% to ₹ 359.0 in FY 2015, compared to ₹ 282.0 million in FY 2014, which was attributable to annual pay increments, performance linked pay and higher employee stock option compensation.

### Finance Cost

Net finance costs increased by 17.3% in FY 2015 due to marginal increase in the net debt levels and a corresponding decrease in interest income from cash deposits.

(1) ErosNow is owned by Eros International Plc.

### Other expenses

Other expenses during FY 2015 stood at ₹ 967.4 million compared to ₹ 334.6 million in the last year. The increase in other expenses was primarily due to increase in write-off in respect of content advance (₹ 198.2 million) & trade receivable (₹ 169.1 million), provision in respect to diminution in value of investments (₹ 80.0 million), net loss on foreign currency transactions & translation (₹ 55.7 million) and other expenses.

### EBIT

EBIT increased by 20.6% to ₹ 3,615.5 million in FY 2015 compared to ₹ 2,997.1 million in FY2014. EBIT margins slightly lower at 25.1% in FY2015 as compared to 26.3% in FY 2014.

### Profit before tax

Profit before tax increased by 21.0% to ₹ 3,231.5 million in the year ended 31 March 2015, compared to ₹ 2,669.7 million in the year ended 31 March 2014.

### Income Tax

Income Tax expenses for the year ended 31 March 2015, were ₹ 761.5 million, as compared to ₹ 737.0 million for the year ended 31 March 2014. The Company's effective tax rate for the year ended 31 March 2015, was 23.6%, lower than 27.6% in the previous year.

### Profit after Tax

Profit after tax increased by 23.7% to ₹ 2,470.6 million for the year ended 31 March 2015, compared to ₹ 1,996.9 million for the year ended 31 March 2014.

### Earnings per share (EPS)

Basic EPS for the year ended 31 March 2015 was ₹ 26.78 per share compared to ₹ 21.72 a year ago, up by 23.3%. Fully diluted EPS for the year ended 31 March 2015 was ₹ 26.43 per share, as compared to ₹ 21.63 in the year ended 31 March 2014, up by 22.2%.

### Risk Management

#### Internal Risks

- ▶ Relationships form the crux of the Company's business with theatre and multiplex operators and television operators, telecommunication companies, retailers and other industry participants. Any disputes with multiplex operators in India or elsewhere could delay film releases and disrupt Eros' marketing schedule for future films
- ▶ The Company may not be able to secure access to content and/or creative talent and may be unable to establish similar relationships with new leading creative talent
- ▶ There are substantial financial risks relating to film production, completion and release. Actual film costs

may exceed their budgets and production delays, failure to complete projects or cost overruns could result in the Company not recovering its costs

- ▶ The Company runs the risk of producing films not as successful as anticipated and this could impact its business adversely
- ▶ The failure to accurately predict the likely commercial success of a film may cause the Company to underestimate the value of such rights
- ▶ The Company has acquired over 90% of its film content through contracts with third parties, which are primarily fixed term contracts that may be subject to expiration or early termination. If the Company is unable to renew the rights to its film catalog on commercially favorable terms and to continue exploiting the existing films in its library or other content, it could have a material adverse effect on its business prospects, financial condition and results of operations
- ▶ The Company's business depends in part on the adequacy, enforceability and maintenance of intellectual property rights in the entertainment products and services it creates. Motion picture piracy is extensive in many parts of the world and is made easier by technological advances and the conversion of motion pictures into digital formats. With broadband connectivity improving in India, digital piracy of the Company's content is an increasing risk. Additionally, the Company may seek to implement elaborate and costly security and anti-piracy measures, which could result in significant expenses and revenue losses

#### External Risks

- ▶ Subdued economic growth, rising unemployment and inflation can weaken discretionary consumer spending for the entertainment that the Company offers
- ▶ Continued financial disruptions and adverse credit rating for India's abilities to repay debt may limit the Company's ability to obtain financing for its films on favourable terms
- ▶ While a significant portion of its revenues are denominated in Indian Rupees, certain contracts for the Company's film content are or may be denominated in foreign currencies. Any fluctuation in the value of the Indian Rupee against these currencies could adversely impact its financial results

- Further, some of its debt is denominated in U.S. dollars, and the Company may not generate sufficient revenue in U.S. dollars to service all of its U.S. dollar-denominated debt. Consequently, the Company may be required to use revenues generated in Indian Rupees to service its U.S. dollar-denominated debt. Any appreciation in the value of the U.S. dollar, compared to the Indian Rupee, could adversely affect its ability to service its debt
- The pace of liberalization reforms in India and specific laws and policies affecting companies in the media and entertainment sector, foreign investment, currency exchange rates and other matters affecting investment in the Company's securities could change, disrupting business and economic conditions in India thereby affect its business

### Human Resource

Eros values the contributions of its employees and encourages employees to recognize new opportunities and create value and perform better. It has built a work culture that attracts, motivates and retains the best industry talent through a combination of fixed remuneration, bonuses and employee stock options. Eros is an equal opportunity employer where all employees are treated fairly without any discrimination on the grounds of gender, marital status, race, colour, nationality, ethnic or national origin, religion, disability or sexual orientation. The Company follows an effective recruitment policy based on job criteria and the personal aptitude and competence of the applicants. It also applies best practices in the employment of disabled people and retrain and retains staff who becomes disabled during their employment.

### Internal Control System

Eros has established an Internal Control System in its various business processes, commensurate with the size and nature of its business. The Company has implemented an integrated ERP system (SAP) and is in process of rolling it out to its subsidiary companies.

The Internal Auditors carry out risk based auditing according to the annual audit plan approved by the Audit Committee.

The Company's internal control system records the transactions of its operations in all material respects and gives protection against significant misuse or loss of Company assets

### 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.

# Corporate Governance

## GOVERNANCE PHILOSOPHY

Corporate Governance may be defined as a set of systems, policies, processes and principles which ensure that a company is governed in the best interest of all 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, employees and partners.

We, at Eros International, continuously strive at improving and adhering to the good governance practice.

Your Company is fully compliant with the requirements stipulated under Clause 49 of the listing agreements entered into with the stock exchanges with regard to the Corporate Governance. The report on compliance with the governance conditions are stated below.

## BOARD OF DIRECTORS

### Composition and Category of Directors

The Board of Directors of the Company have an optimum combination of executive and non-executive directors and also has one woman director on the Board, with not less than 50% of the Board of Directors comprising non-executive Directors, which is in conformity with Clause 49 of the Listing Agreements entered into with the stock exchanges.

As at 31 March, 2015, the Board comprised of 7 directors, out of which four are non-executive directors and three are executive directors. The list of directors as at 31 March, 2015, is as under:

Name of the Director	Category
Mr. Naresh Chandra, Chairman	Non Executive & Independent Director
Mr. Sunil Lulla, Executive Vice Chairman & Managing Director	Executive Director
Mr. Kishore Lulla	Executive Director
Mr. Dharendra Swarup	Non Executive & Independent Director
<sup>1</sup> Dr. Shankar Nath Acharya	Non Executive & Independent Director
Ms. Jyoti Deshpande	Executive Director
<sup>2</sup> Mr. Vijay Ahuja	Non Executive Non Independent Director

<sup>1</sup> Dr. Shankar Nath Acharya has resigned from the Board and its Committees w.e.f. 30 April, 2015 and Mr. Rakesh Sood has been appointed as Additional Director on the Board w.e.f. 1 May, 2015.

<sup>2</sup> Mr. Vijay Ahuja was re-designated as Non Executive Non Independent Director w.e.f. 13 February, 2015.

### Note:

- Mr. Kishore Lulla, Executive Director and Mr. Sunil Lulla, Executive Vice Chairman and Managing Director of the Company, are brothers.
- Mr. Vijay Ahuja, Non Executive Non Independent Director of the Company, is co-brother of Mr. Sunil Lulla and Mr. Kishore Lulla.

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

Mr. Naresh Chandra, Chairman of the Board, 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. Thus, the Company is in compliance with minimum requirement of the Board comprising of at least one-third of Independent Directors.

### Independent Directors

- The members of our Board are from diverse background with skills and experience in critical areas like governance, finance, entrepreneurship and general management.

All Independent Directors on the Board complies with the term "Independent Director" as defined under Clause 49 (II)(B)(1) of the Listing Agreements entered into with the Stock Exchanges. Necessary declarations from each of the Directors have been obtained to the effect that:

- ▶ Independent Directors of the Company are the persons of integrity and possesses relevant expertise and experience.
  - ▶ None of the Independent Directors are promoters of the Company or its holding, subsidiary or associate company and are not related to promoters or directors of the Company, its holding, subsidiary or associate company.
  - ▶ Apart from receiving director's remuneration, none of the Independent Directors has any material pecuniary relationship with the Company, its holding, subsidiary, or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
  - ▶ None of the relatives of Independent Directors has any pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakhs rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - ▶ None of the Independent Directors or their relatives hold any position of a Key Managerial Personnel or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which they are appointed;
  - ▶ None of the Independent Directors or their relatives has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which they are appointed – of a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm; or
  - ▶ None of the Independent Directors or their relatives holds together two per cent or more of the total voting power of the company; or
  - ▶ None of the Independent Directors or their relatives are Chief Executive or Director, by whatever name called, of any non-profit organisation that receives twenty five per cent (25%) or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or holds two per cent or more of the total voting power of the Company;
  - ▶ None of the Independent Directors or their relative is material suppliers, service provider or customer or a lessor or lessee of the Company.
  - ▶ All the Independent Directors are above the age of 21 years.
- There are no Institutional Nominee Directors on the Board.
- Performance Evaluation of Directors**
- In terms of provisions of the Companies Act, 2013 read with Rules issued there under and Clause 49 of the Listing Agreement, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the performance of the Board, each Director and the Committees for the financial year ended 31 March, 2015. The evaluation of the Directors was based on various aspects which, *inter alia*, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, discharge of key functions under law, monitoring effectiveness of Corporate Governance practices, ensuring integrity of accounting and financial reporting, audit, internal audit and risk management systems, as applicable, acting in good faith and in company's interest, ensuring due diligence and reasonable care.
- Separate meeting of the Independent Directors**
- In accordance with the provisions of the Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate meeting of Independent Directors of the Company was conducted on 25 September, 2014, without attendance of non-independent directors and members of the management. All the Independent Directors viz. Mr. Naresh Chandra, Mr. Dharendra Swarup and Dr. Shankar Nath Acharya were present at this meeting.
- The Independent Directors, *inter alia*, reviewed the performance of non-independent directors and the Board as a whole, assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.



### **Familiarisation Programme for Independent Directors**

Familiarisation Programme for Independent Directors is formulated by the Company with an aim to make the Independent Directors aware about their roles, responsibilities and liabilities as per Companies Act, 2013 and other applicable laws and to get better understanding about the Company, nature of industry its operates and environment in which it functions, business model, long term/ short term/strategic plans etc. They are also informed about the important 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.

The Company conducts a strategic meet once in a year for all the Board members (Independent and Non Independent), which includes various presentations by functional heads to have a better insights about the Company, operations and functioning of various divisions, financial parameters, roadmap ahead and other related matters.

On continuous basis, the Company keeps on familiarising the Directors on quarterly basis at the Board meetings by making presentations on operations of the Company, market share, financial parameters, working capital management, changes in senior management, major litigations, compliances, management structure, HR policy, risk management framework, operations of subsidiaries, etc. Various functional heads, business executives and other special invitees like auditors etc. are invited to the Board meetings for one to one discussion with the Board Members and address the specific queries/ issues for better understanding of the business and operations of the Company.

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

The familiarisation programme for Independent Directors in terms of provisions of Clause 49 of the Listing Agreement is uploaded on the website of the Company and can be accessed through the following link: <http://www.erosintl.com/EROS/media/Images/Videos/Familiarization-Programme-of-Independent-Directors.pdf>

### **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, out of net profits of the Company not exceeding 1%, is paid in accordance with Companies Act, 2013;
- ✦ 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 in the Company.
- ✦ None of the Non-Executive Independent Directors hold any convertible instruments in the Company.

### **Other provisions related to Board and Committees**

#### **Number of Board Meetings:**

During the financial year ended 31 March, 2015, the Board met four (4) times in a year i.e. on 29 May, 2014, 14 August, 2014, 12 November, 2014 and 13 February, 2015. The maximum time gap between two (2) meetings of the Board did not exceed one hundred and twenty days as stipulated under the Listing Agreement entered with Stock Exchanges.

#### **Number of Directorship(s)/ Chairmanship(s)/ Membership(s)**

None of the Director of the Company holds directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a director.

Further, none of the Independent Directors of the Company are acting as Independent Directors in more than seven listed companies and three companies, where they are acting as whole time Directors in any other listed company.

Necessary disclosures regarding directorships and committee positions in other public companies as on 31 March, 2015 have been made by the directors.



**TABLE 1**

**Details of attendance of the Directors at Board Meetings, Audit Committee meeting, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships/Memberships of the Committees of each Director in various other companies:**

Name of Director	Attendance			Position on the Board of other companies as on 31 March, 2015		
	Board Meeting	Audit Committee Meeting	Last Annual General Meeting	Director-ship* (Including Unlisted Public Companies)	Committee Member-ship **	Committee Chairman-ship ***
Mr. Naresh Chandra	4	4	Yes	9	9	-
Mr. Sunil Lulla	4	4	Yes	-	-	-
Mr. Kishore Lulla	2	N.A	No	-	-	-
*Dr. Shankar Nath Acharya	3	3	Yes	2	1	1
Mr. Dharendra Swarup	4	4	Yes	3	2	1
Ms. Jyoti Deshpande	3	N.A	No	-	-	-
Mr. Vijay Ahuja	2	N.A	Yes	-	-	-

**Note:**

- \* Only Public limited companies, (both listed and unlisted) are included in other directorships. Directorships in all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded.
- \*\* Chairmanship/membership of the Audit Committee and the Stakeholders' Relationship Committee are considered for the purpose of committee positions as per Listing Agreement.
- \*\*\* Also includes the committees in which a Director holds position as a Chairman.
- # Dr. Shankar Nath Acharya has resigned from the Board and Audit Committee w.e.f. 30 April, 2015 and Mr. Rakesh Sood has been appointed as Additional Director on the Board w.e.f. 1 May, 2015.

**Board Procedure:**

The Board meets atleast once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of the Company. The tentative annual calendar of Board Meetings for the ensuing year is decided in advance by the Board. The agenda papers alongwith detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. 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. The Board has complete access to any information within the Company.

In accordance with the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, the Company had provided an option to Directors to participate at the Board meetings through video conferencing mode except in respect of those meetings wherein transactions are not permitted to be carried out by way of video conferencing.

**Periodical Review of Compliance Reports:**

- During the year, the Board periodically reviewed the reports placed by the management with respect to compliance of all laws applicable to the Company.
- The Internal Auditors also reviews the compliance status and report to the Audit Committee.
- During the year ended 31 March, 2015, there was no resignation /removal of any Independent Director from the Board, and as such there was no requirement to fill the resultant vacancy within 180 days from the day of such resignation/removal.
- The Company has in place the Succession Policy for appointments at the Board and Senior Management level.

**Appointment of Directors**

During the year, the shareholders of the Company at the Annual General Meeting held on 25 September, 2014 has appointed Mr. Naresh Chandra, Mr. Dharendra Swarup and Dr. Shankar Nath Acharya as Independent Directors for a first term of five years in accordance with Section 149 and Section 152 of the Companies Act, 2013 and applicable

rules thereto. Independent Directors are excluded from the computation of total number of directors liable to retire by rotation.

### Re-appointment of Directors

In accordance with Section 152 (6) of the Companies Act, 2013 and applicable rules thereto, Ms. Jyoti Deshpande, being eligible for re-appointment, has offered herself for re-appointment, as her office being longest is liable to retire by rotation at the 21<sup>st</sup> AGM of the Company.

As required under Section 152 of the Companies Act, 2013, necessary disclosures and consent to act as a Director, has been submitted by Ms. Jyoti Deshpande.

As required under the Listing Agreement, brief resume of Ms. Jyoti Deshpande, seeking appointment at the ensuing AGM is furnished in the Notice of AGM.

### 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 Clause 49(II)(E) of the Listing Agreement. The Code has also been posted on the website of the Company [http://www.erosintl.com/EROS/media/Images/Code-of-Business-Conduct-and-Ethics\\_1.pdf](http://www.erosintl.com/EROS/media/Images/Code-of-Business-Conduct-and-Ethics_1.pdf).

All the Board Members, Key Managerial Personnels and Senior Management Personnels have affirmed their compliance with the said Code for the financial year ending 31 March, 2015.

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

In accordance with Schedule IV of the Companies Act, 2013, 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.

All Independent Directors have confirmed to the Company that they have adhered to and complied with the said Code for the financial year ended 31 March, 2015.

### Whistle Blower Policy

In accordance with Clause 49 of the Listing Agreement, the Company has adopted a Whistle Blower mechanism (vigil mechanism) for 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. The Whistle Blower Policy has been posted on the website of the Company and is available on the following link <http://www.erosintl.com/eros/media/images/whistle-blower-policy.pdf>

### COMMITTEES OF THE BOARD

The Board of Directors has constituted the following committees:

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

Decisions taken by the above Committee(s) are noted by the Board at its subsequent meeting. Brief particulars of the above committees are as follows:

#### Audit Committee

An Audit Committee, duly reconstituted by the Board of Directors at their meeting held on 29 May, 2014, has a well defined composition, quorum, powers, role, review and terms of reference in accordance with Section 177 of the Companies Act, 2013 and applicable rules thereto and Clause 49 (III) of the Listing Agreement.

During the year under review, Audit Committee met four (4) times in a year viz. on 29 May, 2014, 14 August, 2014, 12 November, 2014 and 13 February, 2015. Details of the attendance of the Members at the Audit Committee meetings are mentioned in the above TABLE 1.

Mr. Dharendra Swarup, Chairman of the Audit Committee is an independent director and was present at all the Annual General Meetings of the Company to answer queries of shareholders.

All the members of the Audit Committee are financially literate and bring in expertise in the fields of finance, economics, and management and have Mr. Dharendra Swarup, an Independent Director, as its Chairman who has financial management expertise. The Company Secretary and Compliance Officer of the Company acts as the secretary to the Audit Committee.

Apart from the Chief Financial Officer of the Company who remains present at all the Audit Committee meetings, the Committee also invites the representatives of the statutory

auditor and internal auditors of the Company and other executives, as and when required.

The terms of reference of Audit Committee has been revised in accordance with Section 177 of the Companies Act, 2013 and applicable rules thereto and in accordance with Clause 49 (III) of the Listing Agreement. The charter and constitution have also been uploaded on the website of the Company <http://www.erosintl.com/EROS/media/Images/Videos/Charter-of-Audit-Committee.pdf>

### Nomination and Remuneration Committee

During the financial year 2014-2015, in compliance with Section 178 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, "the Compensation Committee" of the Board of Directors of the Company was rechristened by the Board of Directors on 29 May, 2014 as "Nomination and Remuneration Committee".

The composition, quorum, and terms of reference of the Nomination and Remuneration Committee have been revised in accordance with Section 178 of the Companies Act, 2013 and applicable rules thereto and in accordance with Clause 49 (IV) of the Listing Agreement. The Charter and constitution have also been uploaded on the website of the Company <http://www.erosintl.com/eros/media/images/charter-of-nrc.pdf>

Members of the Nomination and Remuneration Committee consist of three directors, all of whom are Non Executive Independent Directors and the Committee was chaired by Dr. Shankar Nath Acharya. The Chairman was present at last year's Annual General Meetings of the Company to answer queries of the shareholders. The Company Secretary acts as Secretary to the Committee.

During the year under review, Nomination and Remuneration Committee met four (4) times in a year viz. on 29 May, 2014, 14 August, 2014, 12 November, 2014 and 13 February, 2015. Details of members of Nomination and Remuneration Committee and their attendance at respective meetings are stated below:

Name of Committee Member	Designation in Committee	Category	Number of Meetings attended
<sup>1</sup> Dr. Shankar Nath Acharya	Chairman	Non-Executive Independent Director	3
Mr. Naresh Chandra	Member	Non-Executive Independent Director	4
Mr. Dharendra Swarup	Member	Non-Executive Independent Director	4

<sup>1</sup> Dr. Shankar Nath Acharya has resigned as a Member of Nomination and Remuneration Committee w.e.f. 30 April, 2015 and Mr. Rakesh Sood has become a Member of Nomination and Remuneration Committee w.e.f 1 May, 2015.

### Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company is framed to ensure that remuneration arrangements support the strategic aims of the business and enables the recruitment, motivation and retention of senior executives, satisfying the expectations of shareholders and remaining consistent with the expectations of the wider employee population.

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee has, inter alia, the following roles and responsibilities:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- To recommend and provide for remuneration/reward(s) linked directly to efforts, performance, dedication and achievements made by Directors, KMPs and employees relating to Company's operations.
- Devising a policy on Board diversity and to ensure that the Board Diversity and effectiveness is in accordance with Company's Board Diversity Policy.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

- Recommend the appointment of KMPs to the Board.
- Recommend to the Board commission to Non-Executive Directors.
- To evaluate the remuneration with the candidatures i.e. Directors and KMPs based on their pre-appointment Board approved evaluations which include previous remuneration, skill sets and contribution along with the Compliance requirements etc.
- To recommend to the Board with reasons recorded in writing, for removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations.

The Nomination and Remuneration Committee, *inter alia*, recommends the remuneration, including the commission based on the net profits of the Company, for Executive and Non Executive Independent Directors (as the case may be), for approval by the Board and Members. The remuneration to Executive Directors and KMPs is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance and review of remuneration packages of Managerial Personnel of other organizations. Perquisites and retirement benefits are paid according to the Company policy as applicable to senior executives of the Company, subject to prescribed statutory ceiling.

The remuneration of employees largely consists of basic salary, perquisites, bonus and performance incentives. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee. The remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. The main objective of the remuneration policy is to motivate each and every employee and to stimulate excellence in their performance, recognise

merits / achievements in order to retain the talent in the Company and to promote the feeling of belongingness. Performance Criteria, Performance linked Incentives, notice period, severance fees of all the employees and Executive Directors are in accordance with the policy of the Company.

In addition to the above, the employees may be granted stock options under the Employees Stock Options Scheme of the Company as may be decided by the Nomination & Remuneration Committee of Directors from time to time. Amongst the Executive Directors, the stock options are granted only to Mrs. Jyoti Deshpande, Executive Director, as she is not a promoter or related to promoters. No other Executive Directors, who are also the promoters of the Company, have been granted any stock options of the Company.

In terms of Section 197 (14) of the Companies Act, 2013, Mr. Sunil Lulla, Executive Vice Chairman and Managing Director of the Company, shall be in receipt of commission out of net profits of Eros International Plc, the ultimate parent company, in his capacity as Director of that Company; apart from receiving monthly remuneration and commission from your Company.

#### **Non Executive Independent Directors**

The Non-Executive Independent Directors receives remuneration by way of sitting fees of ₹ 40,000 for attending each meetings of Board or Committee thereof. None of the Independent Directors are granted stock options. The Commission out of net profits of the Company is paid to Non Executive Independent Directors in accordance with Section 197 of the Companies Act, 2013 and applicable rules thereto. Non Executive Independent Directors are also paid reimbursement of expenses incurred by them 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 2014-2015 are as follows:

Sr. No.	Name of Director	Salary	Benefits/Perquisites	Bonus	Sitting Fees (paid)	Commission paid for FY 2013-2014	Others	Total	Holding of Equity shares/stock options of the Company as on 31 March, 2015
1	Mr. Naresh Chandra	--	--	--	640,000	5,100,000	--	5,740,000	Nil
2	Mr. Sunil Lulla	31,944,000	1,239,600	53,24,000	--	--	--	38,507,600	1,400 (equity shares)
3	Mr. Kishore Lulla	9,583,200	--	--	--	--	--	9,583,200	Nil
4	Dr. Shankar Nath Acharya	--	--	--	520,000	2,550,000	--	3,070,000	Nil
5	Mr. Dharendra Swarup	--	--	--	680,000	2,550,000	--	3,230,000	Nil
6	Ms. Jyoti Deshpande	8,712,000	--	--	--	--	--	8,712,000	571,160 (options outstanding) & holds 142,790 equity shares
7	Mr. Vijay Ahuja	--	--	--	--	--	--	--	Nil

### Stakeholders Relationship Committee

During the financial year 2014-2015, in compliance with Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement, "the Shareholders and Investors Grievance Committee" of the Board of Directors of the Company was rechristened by the Board of Directors on 29 May, 2014 as "Stakeholders Relationship Committee".

The composition, quorum, and terms of reference of the Stakeholders Relationship Committee have been revised in accordance with Section 178 of the Companies Act, 2013 and applicable rules thereto and in accordance with Clause 49 (IV) of the Listing Agreement. The Charter and

constitution have also been uploaded on the website of the Company at <http://www.erosintl.com/EROS/media/Images/Charter-of-SRC---April-30--2015.pdf>.

Members of the Stakeholders Relationship Committee consist of three directors, majority of whom are Non Executive Independent Directors and the Committee was chaired by Dr. Shankar Nath Acharya. The Chairman was present at last year's Annual General Meeting of the Company to answer queries of the shareholders. The Company Secretary acts as Secretary to the Committee.

During the year under review, Stakeholders Relationship Committee met four (4) times in a year viz. on 29 May, 2014, 14 August, 2014, 12 November, 2014 and 13 February, 2015. Details of members of Stakeholders Relationship Committee and their attendance at respective meetings are stated below:

Name of Committee Member	Designation in Committee	Category	Number of Meetings attended
<sup>1</sup> Dr. Shankar Nath Acharya	Chairman	Non-Executive Independent Director	3
Mr. Dharendra Swarup	Member	Non-Executive Independent Director	4
Mr. Sunil Lulla	Member	Executive Director	4

<sup>1</sup> Dr. Shankar Nath Acharya has resigned as a Member of Stakeholders Relationship Committee w.e.f. 30 April, 2015 and Mr. Rakesh Sood has become a Member of Stakeholders Relationship Committee w.e.f 1 May, 2015.

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 Listing Agreement as and when amended from time to time.

Status of Investor Grievances during the year 2014-15:

Description of Investors Grievances received during the year	No. of Grievances
Total Grievances pending at the beginning of period (1 April, 2014)	NIL
Letters directly received from Investors	3
N.S.E.	0
B.S.E.	0
SEBI (Securities Exchange Board of India) (SCORES)	0
Total Grievances attended	3
Total Grievances pending as on 31 March, 2015	NIL

All the complaints /requests received during the year under report were resolved within time to the satisfaction of the investors/members and no complaints were pending as on 31 March, 2015 for more than 30 days.

### Corporate Social Responsibility Committee

During the financial year 2014-2015, the Board of Directors of the Company at their meeting held on 29 May, 2014 constituted the Corporate Social Responsibility Committee ("CSR Committee") in accordance with Section 135 of the Companies Act, 2013 and applicable rules thereto.

The composition, quorum and terms of reference of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013 and applicable rules thereto. The Charter and constitution have also been uploaded on the website of the Company <http://www.erosintl.com/eros/media/images/charter-of-csr.pdf>

Members of the Corporate Social Responsibility Committee consist of four directors and the Committee is chaired by Mr. Naresh Chandra. The Company Secretary acts as Secretary to the Committee.

During the year under review, Corporate Social Responsibility Committee met three (3) times in a year on 14 August, 2014, 12 November, 2014 and 13 February, 2015. Details of members of Corporate Social Responsibility Committee and their attendance at respective meetings are stated below:

Name of Committee Member	Designation in Committee	Category	Number of Meetings attended
Mr. Naresh Chandra	Chairman	Non-Executive Independent Director	3
Mr. Kishore Lulla	Member	Executive Director	2
Mr. Sunil Lulla	Member	Executive Director	3
Ms. Jyoti Deshpande	Member	Executive Director	2

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.

### Risk Management Committee

A Risk Management Committee, duly constituted by the Board of Directors at their meeting held on 12 November, 2014, which has been delegated the powers by the Board to monitor and review the risk management plan and other functions, in accordance with the Risk Management Plan of the Company framed and implemented in term of Section 134 & 177 of the Companies Act, 2013 and applicable rules thereto and Clause 49 (VI) of the Listing Agreement.

Members of the Risk Management Committee, which comprises of majority of the Board Members, as on 31 March, 2015 are as follows:

Name of Committee Member	Designation in Committee	Category
Mr. Naresh Chandra	Member	Non-Executive Independent Director
Mr. Dharendra Swarup	Member	Non-Executive Independent Director
Mr. Sunil Lulla	Member	Executive Director (Executive Vice Chairman & Managing Director)
Ms. Jyoti Deshpande	Member	Executive Director
Mr. Dinesh Modi	Member	Chief Financial Officer

During the year under review, there was no Risk Management Committee meeting.

The Company Secretary and Compliance Officer of the Company acts as the secretary to the Risk Management Committee.

The Charter / terms of reference and constitution of Risk Management Committee have also been uploaded on the website of the Company <http://www.erosintl.com/EROS/media/Images/Charter-of-Risk-management-Committee.pdf>

### Management Committee

The Management Committee, duly reconstituted by the Board of Directors at its meeting held on 12 November, 2014, comprises of Mr. Sunil Lulla, Mr. Kishore Lulla, Ms. Jyoti Deshpande, Mr. Vijay Ahuja and Mr. Dinesh Modi entrusted with the powers to decide on day to day affairs of the Company.

### SUBSIDIARY COMPANIES

As on 31 March, 2015, the Company has 13 subsidiaries (including 8 direct subsidiaries and 5 indirect subsidiaries). Out of 8 direct subsidiaries, 6 are Indian and other 2 are foreign.

None of the subsidiary companies are material Indian non-listed subsidiary in terms of Clause 49(V)(D) of the Listing Agreement. 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 is available on following link <http://www.erosintl.com/eros/media/images/policy-on-determination-of-material-subsidiary.pdf>.

Financial statements, in particular the investments made by the unlisted subsidiaries, statement containing all significant transactions and arrangements entered in to 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 and available on the following link <http://www.erosintl.com/eros/media/images/policy-on-dealings-and-materiality-of-related-party-transaction.pdf>. 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.

## INVESTORS INFORMATION

### General Body Meeting

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

Respective Financial Year	2011-2012	2012-2013	2013-2014
Date of the meeting	24 September, 2012	28 August, 2013	25 September, 2014
Time of the meeting	3.00 p.m.	3.00 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 Classique Club, New Andheri Link Road, Andheri-West, Mumbai - 400 053
Special Resolution passed at the meeting	<ul style="list-style-type: none"> <li>Re-ApPOINTment of Mr. Sunil Lulla as the Executive Vice Chairman and Managing Director of the Company for a period of three years w.e.f 28 September, 2012 on such terms and conditions as approved by the shareholders.</li> <li>Appointment of Ms. Jyoti Deshpande as an Executive Director upto 30 September, 2015 on such terms and conditions as approved by the Shareholders</li> </ul>	N.A.	<ul style="list-style-type: none"> <li>Payment of remuneration to Mr. Kishore Lulla, Executive Director</li> <li>Increase in borrowing limits upto ₹ 2000 crores or the aggregate of paid-up capital and free reserves of the Company, whichever is higher.</li> <li>Creation of Charges on the moveable and immoveable properties of the Company, both present and future, in respect of borrowings.</li> <li>Offer and issue of Non-Convertible Securities under Private Placement upto ₹ 750 crores</li> </ul>



## RESOLUTIONS PASSED BY WAY OF CONDUCTING THE POSTAL BALLOT

During the year under consideration, Postal Ballot was conducted two times by the Company for seeking approval of shareholders on the following matters:

Date of Postal Ballot Notice	Date of declaration of results of Postal Ballot	Name of the Scrutinizer to Postal Ballot	No. of Votes in Favour	No. of Votes Against	Status of Resolution passed/rejected
12/11/2014	30/12/2014	Mr. Bankim Mehta	81,880 votes in favour for Resolution No 1	17,62,242 votes against Resolution No 1	Rejected
			81,752 votes in favour for Resolution No 2	17,62,295 votes against Resolution No 2	
13/02/2015	26/03/2015	Mr. Haresh Jani	7,72,62,854 votes in favour	29,828 votes against	Passed with requisite majority

## PROCEDURE FOR POSTAL BALLOT

For conducting a Postal Ballot, Notice specifying the resolutions proposed to be passed through Postal ballot alongwith explanatory statement, postal ballot forms alongwith postage prepaid business reply envelopes and User Ids and Passwords for the purpose of e-voting were dispatched /emailed to all the shareholders whose names appeared in register of members/list of beneficial owners as on the cut off date.

The Shareholders were requested to send back the postal ballot forms duly filled and signed in the postage prepaid business reply envelopes so as to reach the Scrutinizer on or before the cut off date or to cast their votes by e-voting using their User Ids and Passwords and as per the instructions mentioned in the Notice of Postal ballot.

The Scrutinizer scrutinizes the ballot papers, verify the signature and counter check whether no duplicate voting is made through submission of physical ballot form and also by e-voting. On compilation of ballot forms and e-voting results, the Scrutinizer prepares the Report and submits to the Company and based on the Report, the Company declares the voting results of the Postal Ballot and inform the stock exchanges, where the company is listed and also upload it on the website of the Company, apart from publishing in one English language and in one vernacular language newspaper.

## DISCLOSURES

- 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.

- No treatment different from the accounting standards, 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 of Clause 49 of the Listing Agreement with the Stock Exchanges, relating to Corporate Governance.
- The Company has laid down the Whistle Blower mechanism for employees and 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.
- The Chairman of your Company 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.

- ▶ Your Company has separate persons for the post of Chairman and Managing Director.
- ▶ 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.

#### ▶ **Insider Trading Regulations**

The Company has constituted and adopted a comprehensive Code of Conduct viz. "Eros International Media Limited Code of Conduct for Prohibition of Insider Trading" ("Code"), for its Directors, Key Managerial Personnels, Senior Management Personnels and such other Designated Employees 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, 1992, 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 Personnels and such Designated Employees 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 Personnels, Senior Management Personnels and 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 Personnels, Senior Management Personnels and other Designated Employees for adherence to this Code during the financial year 2014-15 have been received by the Company and certificate to that effect from the Executive Vice Chairman & Managing Director is annexed hereto and forming 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 the following link [http://www.erosintl.com/eros/media/images/code-of-conduct\\_insider-trading.pdf](http://www.erosintl.com/eros/media/images/code-of-conduct_insider-trading.pdf).

### **SECRETARIAL AUDIT**

M/s Bankim Mehta & Associates, Practising Company Secretary, carried out various audits during the year:

- ▶ Annual Secretarial Audit as required under Section 204 of the Companies Act, 2013 & applicable rules thereto.
- ▶ Quarterly Secretarial Audit for each quarter to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) of the total issued and listed Equity Share Capital. The Report on Reconciliation of Share Capital confirms that the total issued/paid up capital is in agreement with the total number of shares in the physical form and the total number of shares in the dematerialised form held with NSDL and CDSL.

### **CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

In accordance with Clause 49(X) of the Listing Agreement, a certificate from a Practising Company Secretary confirming compliance of conditions of corporate governance as stipulated in the said clause has been obtained by the Company and the same forms a part of this Report.

### **CEO / CFO CERTIFICATION**

A certificate in accordance with clause 49(IX) of the Listing Agreement signed by Mr. Sunil Lulla, Executive Vice Chairman and Managing Director of the Company and Mr. Dinesh Modi, Chief Financial Officer of the Company, certifying to the Board on the matters related to financial and cash flow statements, legality, adherence to code of conduct, non-fraudulence of transactions entered into by the Company, acceptance of responsibility for establishing internal controls etc. and indications given to Auditors and Audit Committee about significant changes in internal control, accounting policies and instances of significant fraud, if any, as prescribed under the said sub clause is annexed to this Report.

### **GREEN INITIATIVE IN CORPORATE GOVERNANCE**

The Company has undertaken a Green Initiative in Corporate Governance whereby the companies are allowed to send notices, documents and other communication(s) to the shareholders in electronic mode.

Your Company encourages its shareholders to support the "Green Initiative" by registering their e-mail addresses with the Company/Registrar & Transfer Agent/ respective Depository Participants (DP's) by specifying their Client Id and DP Id and intimating changes in the email id from time to time.

In view of the applicable provisions of the Companies Act, 2013 & applicable rules thereto, your Company is sending the documents like the Notice convening the Annual General Meeting, Financial Statements, Directors' Report, Auditors' Report, etc. to the email address provided by the shareholders to their respective Depository Participant (DP)/Company's Registrar and Transfer Agent.

#### General Shareholders Information:

<b>Annual General Meeting</b>	
Day	Thursday
Date	3 September, 2015
Time	3.00 p.m.
Venue	The Club, 197, D. N. Nagar, Andheri (West), Mumbai - 400 053
<b>Financial calendar (tentative)</b>	
Audited Annual Results of previous year ended March 31, 2014	Fourth week of May, 2015
1st quarter results for quarter ending June, 2015	On or before 14 August, 2015
2nd quarter results for quarter ending September, 2015	On or before 14 November, 2015
3rd quarter results for quarter ending December, 2015	On or before 14 February, 2016
Last quarter results for quarter ending March, 2016	On or before 30 May, 2016
<b>Financial year</b>	<b>1 April, 2015 to 31 March, 2016</b>
<b>Book Closure Dates</b>	<b>Friday, 21 August, 2015 to Friday, 28 August, 2015</b>
<b>Listing of equity shares at Stock Exchanges</b>	<p><b>BSE Limited</b>  Pheeroze Jeejeebhoy Towers, Dalal Street, Fort,  Mumbai-400 001  Tel No:-91-22-22721233/1234  Fax No:-91-22-22721919</p> <p><b>National Stock Exchange of India Limited</b>  Exchange Plaza, 5th Floor, Plot no- C Block , G Block,  Bandra Kurla Complex, Mumbai-400 051  Tel No:- 91-22-26598100-8114  Fax No:-91-22-26598120</p>
<b>Stock Codes</b>	<p><b>BSE</b> - 533261  <b>NSE</b> - EROSMEDIA</p>
<b>ISIN Number</b>	INE416L01017
<b>Corporate Identification Number (CIN)</b>	L99999MH1994PLC080502

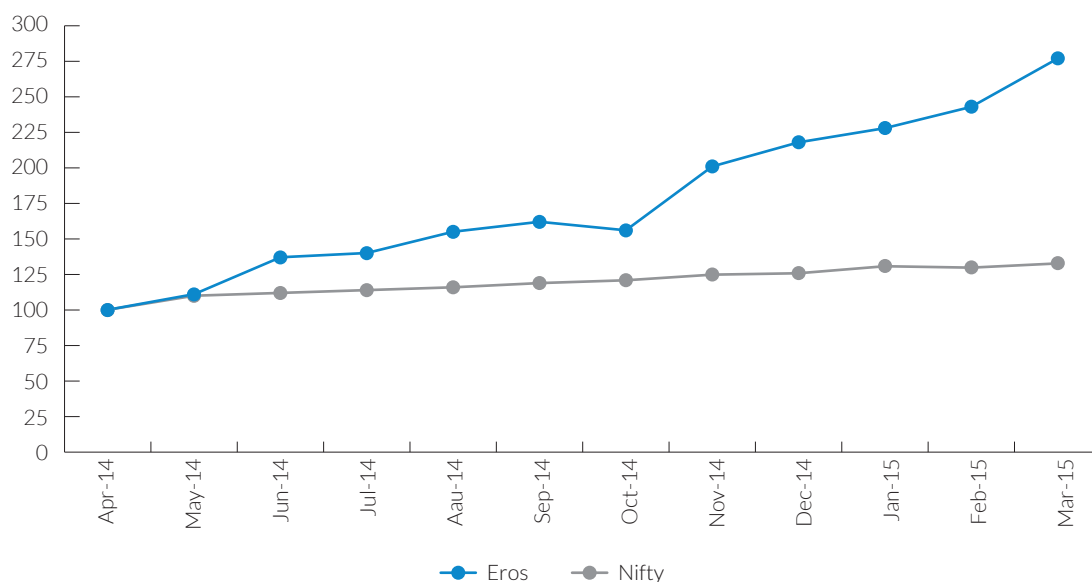
The annual listing fees for the financial year 2015-2016 were paid to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) by the Company within prescribed time.

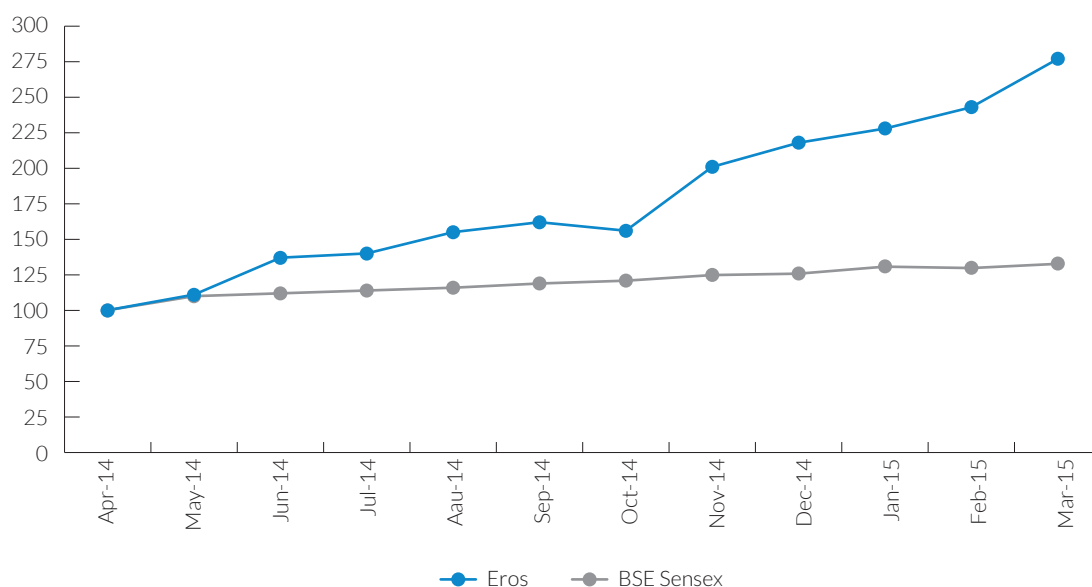
## MARKET PRICE DATA

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, 2014 to 31 March, 2015 are as below:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Price (₹)	Low Price (₹)	Volume	High Price (₹)	Low Price (₹)	Volume
Apr 14	174.90	162.00	8,98,425	174.75	162.50	27,89,978
May 14	194.45	158.65	21,92,213	194.00	158.00	66,54,722
Jun 14	240.00	172.45	37,91,022	239.90	172.50	99,01,208
Jul 14	244.90	210.50	17,91,351	243.80	211.00	54,65,449
Aug 14	270.70	206.70	12,86,017	270.50	215.90	63,32,625
Sep 14	282.00	234.80	13,37,451	282.25	234.25	63,58,551
Oct 14	273.30	235.00	8,81,567	273.00	235.15	30,77,877
Nov 14	351.50	242.70	14,68,811	273.00	235.15	30,77,907
Dec 14	381.50	314.00	12,88,344	381.70	318.50	73,52,033
Jan 15	399.40	358.80	9,13,780	399.95	359.55	40,23,070
Feb 15	425.00	360.90	10,42,430	425.00	360.00	42,97,875
Mar 15	484.00	352.00	12,17,090	484.00	390.10	38,35,351

## PERFORMANCE IN COMPARISON TO BROAD BASED INDICES





#### DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH, 2015

Shares Holding of Shares	No. of Shareholders	% to total
1-5000	22,184	96.72
5001-10000	318	1.39
10001-20000	154	0.67
20001-30000	65	0.28
30001-40000	31	0.14
40001-50000	23	0.10
50001-100000	38	0.17
100001 and above	122	0.53
<b>Total</b>	<b>22,935</b>	<b>100</b>

#### SHAREHOLDING PATTERN OF THE COMPANY AS ON 31 MARCH, 2015

Sr. Category	No. of Shareholders	No. of shares	Voting Strength (In %)
<b>1. Shareholding of Promoter and Promoter Group</b>			
<b>a) Indian</b>			
1) Individuals/ Hindu Undivided Family	4	7,000	0.01
2) Bodies Corporate	1	2,17,00,000	23.46
3) Foreign Body Corporate	1	4,71,26,290	50.94
<b>2. Public Shareholding</b>			
<b>a) Institutions</b>			
1) Institutions (Mutual Funds/UTI)	4	156,696	0.17
2) Financial Institutions/ Banks	2	31,426	0.03
3) FIIs	77	1,63,10,367	17.63
4) Insurance Companies	1	7,35,094	0.79
5) Others (Foreign Portfolio Investors corporate)	15	17,09,116	1.85
<b>b) Non-Institutions</b>			
1) Bodies Corporate	299	17,70,797	1.91
2) Individual			
i) Individual Shareholders holding nominal share capital up to ₹ 1 Lakh	22,092	19,99,806	2.16
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	10	2,50,772	0.27

Sr. Category	No. of Shareholders	No. of shares	Voting Strength (In %)
c) Any other			
1) Clearing Member	141	471,877	0.51
2) Trust	0	--	0.00
3) NRI's (Repat)	203	64,873	0.08
4) NRI's (Non Repat)	85	173,160	0.19
<b>Total</b>	<b>22,935</b>	<b>925,07,274</b>	<b>100</b>

## PLEDGE OF SHARES

No Pledge has been created over the Equity Shares held by the Promoters and/or Promoters Group Shareholders as on 31 March, 2015.

## DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31 MARCH, 2015

The securities of the Company are compulsory 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, 2015 and the promoters holding 74.41 % have been held in the dematerialised as on 31 March, 2015.

### Break up of shares in physical and demat form as on 31 March, 2015 is as follows:

	Number of shares	% of Total number of shares
Physical segment	3	0.00
Demat segment		
NSDL	9,06,11,338	97.95
CDSL	18,95,933	2.05
<b>Total</b>	<b>9,25,07,274</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 1,437,400 stock options in force which carries entitlement of 1,437,400 equity shares of the Company, as and when exercised.

## PAYMENT OF UNPAID DIVIDEND OF PREVIOUS YEARS

The company had declared interim dividend in FY 2012-2013. Each year your Company sends reminders to those shareholders who have not encashed their dividend. This year the Company has sent reminder on 11 June, 2015. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 25 September, 2014 (date of last Annual General Meeting) on the Company's website ([www.erosintl.com](http://www.erosintl.com)) and on the website of the Ministry of Corporate Affairs.

## EQUITY SHARES IN THE SUSPENSE ACCOUNT

In terms of Clause 5A(I) and Clause 5A(II) of the Listing Agreement, 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, 2014)	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, 2015)	4 Shareholders	169 Equity Shares

The voting rights on the shares in the suspense accounts as on 31 March, 2015 shall remain frozen till the rightful owners of such shares claim the shares.

## 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 Listing Agreement. The said results are also made available on Company's website <http://www.erosintl.com/finance-info.aspx>. We organise an earnings call with analysts and investors shortly after the day of the results announcement.

### Address for Investor Correspondence

For any assistance regarding dematerialization 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-13 Pannalal Silk Mills Compound, L.B.S. Marg,  
Bhandup (West),  
Mumbai 400 078  
Tel: +91 22 2594 6970  
Fax: +91 22 2594 6969  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Web: [www.linkintime.co.in](http://www.linkintime.co.in)

### For General Correspondence

Company Secretary & Compliance Officer	Corporate Office:
Eros International Media Limited	901/902, Supreme Chambers,
Registered Office:	Off. Veera Desai Road,
201, Kailash Plaza,	Andheri (West),
Plot No. A-12,	Mumbai- 400 053
Opp Laxmi Industrial Estate,	Tel: +91 22 6602 1500
Link Rd, Andheri (West),	Fax: +91 22 6602 1540
Mumbai – 400 053	Email: <a href="mailto:compliance.officer@erosintl.com">compliance.officer@erosintl.com</a>
	Web: <a href="http://www.erosintl.com">www.erosintl.com</a>

## 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 31st March, 2015.

For and on behalf of the Board

**Sunil Lulla**

Executive Vice Chairman and Managing Director

Date: 29 May, 2015

Place: Mumbai

## CEO / CFO CERTIFICATION

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

We hereby certify that in the preparation of the accounts for the year ended 31 March 2015,

- (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 accounting standards, 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.

### **Sunil Lulla**

Executive Vice Chairman & Managing Director  
Date:- 29 May, 2015  
Place:- Mumbai

### **Dinesh Modi**

Group Chief Financial Officer (India)

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## **CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of  
**Eros International Media Limited**

We have examined the compliance of corporate governance by Eros International Media Limited for the year ended 31<sup>st</sup> March, 2015 as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Stakeholders Relationship Committee (earlier known as Shareholder/Investor Grievance Committee).

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.

For **Bankim Mehta & Associates**  
Company Secretaries

**Bankim Mehta**  
Proprietor  
FCS: 7831  
COP: 8959

Date: 29 May, 2015  
Place: Mumbai



# Independent Auditor's Report

## to the Members of Eros International Media Limited

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

1. We have audited the accompanying standalone financial statements of **Eros International Media Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

2. 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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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.
5. We conducted our audit in accordance with the Standards on Auditing 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.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 controls 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### OPINION

8. 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, of the state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

# Independent Auditor's Report

## to the Members of Eros International Media Limited (Contd.)

- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- f. 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. as detailed in Note 21 to the standalone financial statements, the Company has

- disclosed the impact of pending litigations on its standalone financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Walker Chandiok & Co LLP**  
(formerly known as Walker, Chandiok & Co)  
**Chartered Accountants**  
Firm Registration No: 001076N/N500013  
per **Adi P. Sethna**  
Partner  
Membership No: 108840  
Place : Mumbai  
Date : 29 May 2015

# Annexure to the Independent Auditor's Report

## of even date to the members of Eros International Media Limited, on the financial statements for the year ended 31 March 2015

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted unsecured loans to companies and firms covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, receipt of the principal amount is regular; and
  - (b) there is no overdue amount in respect of loans granted to such companies and firms.
- (iv) In our opinion, certain items purchased are of a specialized nature for which suitable alternative sources do not exist for comparative quotations. However, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of content, related consumables and fixed assets and for the sale of fixed assets, services and film rights. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

# Annexure to the Independent Auditor's Report

of even date to the members of Eros International Media Limited, on the financial statements for the year ended 31 March 2015 (Contd.)

(vi) To the best of our knowledge and belief, 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 provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Except for undisputed statutory dues in respect of income tax and service tax, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable with the appropriate authorities. 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:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Finance Act, 1994	Service tax**	152.51	Financial Year 2010-11	Various dates	Unpaid

\*\* The Finance Act, 2010 levied service tax on temporary transfer of copyright in the period 1 July 2010 to 30 June 2012. In 2011, 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.

(b) Dues outstanding in respect of income-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount Paid Under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1944	Sales tax	28.63	-	Financial Year 2005-06 and 2008-09	Joint Commissioner of sales tax (Appeals)
Maharashtra Value Added Tax, 2002	Sales tax	285.06	-	Financial Year 2005-06 and 2008-09	Joint Commissioner of sales tax (Appeals)
Income tax Act, 1961	Income tax	6.67	-	Assessment Year 2002-03 to 2004-05	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	36.75	-	Assessment Year 2004-05	High Court

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.

(viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.

(ix) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.

(x) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.

(xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.

(xii) As per the information and explanations given by the management, no material fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker Chandiok & Co LLP**

(formerly known as Walker, Chandiok & Co)

**Chartered Accountants**

Firm Registration No: 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No: 108840

Place : Mumbai

Date : 29 May 2015

# Balance Sheet

as at 31 March 2015

₹ in lacs

	Notes	As at 31 March 2015	As at 31 March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	9,250	9,197
Reserves and surplus	4	93,695	80,104
		<b>102,945</b>	<b>89,301</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	9,533	9,732
Deferred tax liabilities (net)	6	25,452	20,519
Other long-term liabilities	7	101	130
Long-term provisions	8	213	143
		<b>35,299</b>	<b>30,524</b>
<b>Current liabilities</b>			
Short-term borrowings	9	30,993	28,629
Trade payables		4,647	3,698
Other current liabilities	10	36,806	13,100
Short-term provisions	11	1,816	2,505
		<b>74,262</b>	<b>47,932</b>
<b>Total</b>		<b>212,506</b>	<b>167,757</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	12	4,082	4,412
Intangible assets	13	82,389	66,999
Content advances	13	77,809	46,845
Film under production		5	-
Non-current investments	14	2,043	2,042
Long-term loans and advances	15	13,616	9,946
Other non-current assets	16	382	550
		<b>180,326</b>	<b>130,794</b>
<b>Current assets</b>			
Inventories	17	104	122
Trade receivables	18	22,958	17,275
Cash and bank balances	19	3,854	15,145
Short-term loans and advances	15	3,674	3,893
Other current assets	20	1,590	528
		<b>32,180</b>	<b>36,963</b>
<b>Total</b>		<b>212,506</b>	<b>167,757</b>

## Notes 1 to 40 form an integral part of these financial statements

This is the Balance sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**  
(formerly known as Walker, Chandiok & Co)  
**Chartered Accountants**

**Adi P. Sethna**  
Partner  
Membership No: 108840

Place : Mumbai  
Date : 29 May 2015

## For and on behalf of Board of directors

**Sunil Lulla**  
Executive Vice Chairman  
and Managing Director

**Dinesh Modi**  
Group Chief Financial  
Officer (India)

Place : Mumbai  
Date : 29 May 2015

**Jyoti Deshpande**  
Executive Director

**Dimple Mehta**  
Company Secretary  
and Compliance Officer

# Statement of Profit and Loss

for the year ended 31 March 2015

₹ in lacs

	Notes	Year ended 31 March 2015	Year ended 31 March 2014
<b>REVENUE</b>			
Revenue from operations (net)	22	107,170	85,712
Other income	23	1,901	217
<b>Total revenue</b>		<b>109,071</b>	<b>85,929</b>
<b>EXPENSES</b>			
Purchases/ operating expenses	24	74,698	57,279
Changes in inventories	25	18	487
Employee benefits expense	26	3,441	2,514
Finance costs	27	3,844	3,271
Depreciation and amortisation expense	28	662	476
Other expenses	29	6,621	3,388
<b>Total expenses</b>		<b>89,284</b>	<b>67,415</b>
<b>Profit before tax</b>		<b>19,787</b>	<b>18,514</b>
<b>TAX EXPENSE</b>			
Current tax		4,152	3,940
Deferred tax		4,934	4,955
Minimum alternate tax credit		(1,875)	(1,312)
Short/(excess) provision of earlier years		157	(436)
		<b>7,368</b>	<b>7,147</b>
<b>Profit after tax for the year</b>		<b>12,419</b>	<b>11,367</b>
<b>Earnings per share</b>			
Basic ( in ₹)	30	13.46	12.36
Diluted ( in ₹)		13.28	12.31

Notes 1 to 40 form an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Co LLP**  
(formerly known as Walker, Chandiok & Co)  
**Chartered Accountants**

**Adi P. Sethna**  
Partner  
Membership No: 108840

Place : Mumbai  
Date : 29 May 2015

For and on behalf of Board of directors

**Sunil Lulla**  
Executive Vice Chairman  
and Managing Director

**Dinesh Modi**  
Group Chief Financial  
Officer (India)

Place : Mumbai  
Date : 29 May 2015

**Jyoti Deshpande**  
Executive Director

**Dimple Mehta**  
Company Secretary  
and Compliance Officer

# Cash Flow Statement

for the year ended 31 March 2015

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>19,787</b>	<b>18,514</b>
Non-cash adjustments to reconcile Profit before tax to net cash flows		
Depreciation and amortisation	40,353	40,139
Trade receivables written off	2,315	498
Sundry balances written back	(918)	(25)
Content advances written off	769	100
Advances and deposits written off	417	-
Provision for doubtful trade receivables	66	42
Sundry balances written off	1	-
Provision for doubtful advances	-	269
Finance costs (net)	3,980	3,271
Provision for employee benefits	75	43
Interest income	(402)	-
(Gain)/loss on sale of tangible assets (net)	(6)	4
Net gain on sale of current investments (net)	-	(3)
Expense on employee stock option scheme	469	235
Unrealised foreign exchange gain/ (loss)	595	(1,011)
<b>Operating profit before working capital changes</b>	<b>67,501</b>	<b>62,076</b>
Movements in working capital:		
Increase/(Decrease) in trade payables	2,014	(1,871)
Increase/(Decrease) in other current liabilities	21,736	357
Increase/(Decrease) in short-term provisions	70	(100)
(Increase)/Decrease in inventories	19	487
(Increase)/Decrease in trade receivables	(7,567)	(2,910)
(Increase)/Decrease in short-term loans and advances	1,043	1
(Increase)/Decrease in other current assets	(1,059)	281
(Increase)/Decrease in long-term loans and advances	(2,323)	-
(Increase)/Decrease in other non current assets	168	(277)
Cash generated from operations	<b>81,602</b>	<b>58,044</b>
Taxes paid (net)	(5,340)	(3,585)
<b>Net cash generated from operating activities (A)</b>	<b>76,262</b>	<b>54,459</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible assets	(347)	(27)
Purchase of intangible film rights and related content	(87,052)	(57,096)
Deposits with banks (net)	(189)	11,008
(Advances given)/Refund of advances	-	59
Advance given to an undertaking	(1,500)	-
Proceeds from sale of fixed assets	19	7
Purchase of long term investments	(1)	(1)
Proceeds from sale of current investments	-	23
<b>Net cash used in investing activities (B)</b>	<b>(89,070)</b>	<b>(46,027)</b>

# Cash Flow Statement

for the year ended 31 March 2015

	₹ in lacs	
	Year ended 31 March 2015	Year ended 31 March 2014
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares (net)	816	51
Repayment of long - term borrowings	(6,179)	(3,150)
Proceeds from long term borrowings	7,612	2,957
Proceeds from short term borrowings	40,816	2,500
Repayment of short-term borrowings	(36,914)	(833)
Net change in other short-term borrowings	(1,574)	1,780
Interest income	399	-
Finance charges (net)	(3,648)	(2,627)
Dividend paid	-	(1)
<b>Net cash generated from financing activities (C)</b>	<b>1,328</b>	<b>677</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(11,480)</b>	<b>9,109</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>14,184</b>	<b>5,075</b>
<b>Cash and cash equivalents at the ending of the year</b>	<b>2,704</b>	<b>14,184</b>

**Notes 1 to 40 form an integral part of these financial statements**

This is the Cash Flow Statement referred to in our report of even date

For **Walker Chandiok & Co LLP**  
(formerly known as Walker, Chandiok & Co)  
**Chartered Accountants**

**Adi P. Sethna**  
Partner  
Membership No: 108840

Place : Mumbai  
Date : 29 May 2015

**For and on behalf of Board of directors**

**Sunil Lulla**  
Executive Vice Chairman  
and Managing Director

**Dinesh Modi**  
Group Chief Financial  
Officer (India)

Place : Mumbai  
Date : 29 May 2015

**Jyoti Deshpande**  
Executive Director

**Dimple Mehta**  
Company Secretary  
and Compliance Officer

# Summary of Significant Accounting Policies

## and other explanatory notes to the financial statements

### 1 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).

### 2 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### I. Basis of preparation

The Company 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.

The Company's financial statements which have been prepared under historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act 2013 and comply in all material aspects with the accounting principles generally accepted in India including the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

The accounting policies have been consistently applied unless otherwise stated.

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

#### II. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles ('GAAP') requires management to

make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses, as well as disclosure of contingent liabilities on the date of the financial statements. Key estimates made by the Company in preparing these financial statements include useful lives of assets as well as utilization of economic benefits from these assets, accrual of expenses, recoverability of trade receivables, minimum alternate tax credits and deferred tax assets as well as assumptions for valuation of employee benefits and stock options. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results may differ from those estimates. Any revision to accounting estimates is recognized prospectively, in the period in which revisions are made.

### III. Significant accounting policies

#### (a) Revenue recognition

- Theatrical sales: Revenue from theatrical distribution is recognized on exhibition of films. In case of distribution through theatres, revenue is recognized on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognized on theatrical release.
- Sale of film rights: Sale of rights is recognized on effective delivery of materials to customers as per terms of the sale agreements. Sale of overseas rights are recognized on assignment of such rights, as per pre-agreed transfer pricing norms.
- Sale of satellite rights and physical home entertainment products: Revenue is accounted on delivery to customers, as per-contracted terms. Digital and other new media revenues are recognized at the earlier of when the content is accessed or if licensed, the date the revenue is contracted or declared.
- Production fee: Revenue from production fee is recognized on the basis of services rendered at relevant stages of production of the film, in accordance with terms of agreement.



# Summary of Significant Accounting Policies

## and other explanatory notes to the financial statements

### (b) Other income

- Dividend income is recognised when the right to receive dividend is established.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- On disposal of current investments, the difference between the carrying amount and the disposal proceeds is recognized in the Statement of Profit and Loss.

### (c) Tangible assets and depreciation

- Tangible assets are stated at acquisition cost less accumulated depreciation and impairment losses, if any. Acquisition cost includes purchase cost (net of available credits) and all incidental expenses to bring the asset to their present location and condition. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- Depreciation is provided under written down value method at the rates and in the manner prescribed under Schedule II to the Companies Act, 2013.
- Depreciation upto FY 2013-14 has been provided at the rate and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

### (d) Intangible assets and amortisation

- Investment in film and associated rights are recorded at their acquisition costs less accumulated amortisation and impairment losses, if any. Cost includes acquisition and production cost, direct overhead cost, capitalized foreign currency exchange differences and capitalized interest. When ready for exploitation, advances granted to secure rights are transferred to film rights. These rights are amortised 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, or the remaining life of the content rights, whichever is less. Amortization of film rights is presented under 'purchases/ operating expenses'.

In the case of film content that is acquired after its initial exploitation, commonly referred to as catalogue rights, amortization is spread evenly over the lower of ten years or the license period. Management's estimate is based upon factors such as historical performance of similar films, the star power of the lead actors and actresses and once released actual results of each film.

The 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.

- Other intangible assets are carried at acquisition costs less accumulated amortization, which is provided under written down value method at the rates and in the manner prescribed under Schedule II to the Companies Act, 2013

### (e) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

### (f) Content advances

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

# Summary of Significant Accounting Policies

## and other explanatory notes to the financial statements

### (g) Investments

- Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.
- Current investments are carried at lower of cost and fair value determined on an individual investment basis.
- Long-term investments are carried at cost. However, provision for diminution in the value of investments, if any, is made to recognize a decline, other than temporary in nature.

### (h) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is computed as follows:

- Raw prints and tapes on purchase cost at a moving weighted average basis.
- Home entertainment products, at actual cost.
- Inventories related to films under production are stated at acquisition and production cost plus relevant overhead cost and capitalized interest net of any amounts received from third party investors.

### (i) Impairment of assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and

from its disposal at the end of its useful life.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

### (j) Provisions and contingencies

- Provisions are recognized when there is present obligation as a result of a past event and it is more likely than not that an outflow of resources will be required to settle the obligation. Provisions are measured at the management's best estimate of the outflow required to settle the obligations at the Balance Sheet date.
- The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow is remote. Contingent liabilities are disclosed when:
  - there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
  - a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### (k) Employee benefits

#### Defined contribution plan

Provident fund: The Company's contributions paid or payable during the year to the provident fund and employee's state insurance corporation 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

# Summary of Significant Accounting Policies

## and other explanatory notes to the financial statements

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. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss as income or expense. 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 compensation

Stock options granted by the Company are accounted using intrinsic value method as prescribed by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. Deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed option and credit to deferred employee compensation expense equal to the unamortised portion of lapsed option.

### (l) Leases

The Company has evaluated all existing leases as 'Operating leases'. Aggregate of lease rentals

payable under non-cancellable operating lease arrangements (over the initial and subsequent periods of lease) are charged to the Statement of Profit and Loss on a straight-line basis over the non-cancellable period of the lease.

### (m) Foreign currency transactions

Transactions in foreign currencies are accounted at exchange rates prevalent on the date of the transaction. Foreign currency monetary assets and liabilities at the period end are translated using the exchange rates prevailing at the end of the period. All exchange differences are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are recorded using the exchange rates that existed when the values were determined and accordingly investments in shares of foreign subsidiaries are denominated in Indian currency at the rate of exchange prevailing at the time when the original investments are made.

The reporting currency of the Company is Indian Rupee (₹).

### (n) Taxes on income

Income tax expense comprises current income tax and deferred tax.

#### » Current taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income tax Act, 1961, and rules made thereunder, and recorded at the end of each reporting period based on the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

#### » Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as

# Summary of Significant Accounting Policies

## and other explanatory notes to the financial statements

per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

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 Alternative Tax ("MAT")

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. MAT credit entitlement is recognised as an 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.

### (o) Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

### (p) Cash and cash equivalents

Cash and cash equivalents include cash on 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. Cash credits are shown within borrowings in current liabilities on the Balance sheet.

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

₹ in lacs

	As at 31 March 2015		As at 31 March 2014	
	Number	Amounts	Number	Amounts
<b>3 SHARE CAPITAL</b>				
<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	92,507,274	9,250	91,973,190	9,197
<b>Total</b>	<b>92,507,274</b>	<b>9,250</b>	<b>91,973,190</b>	<b>9,197</b>
<b>a) Reconciliation of paid up share capital (Equity Shares)</b>				
Balance at the beginning of the year	91,973,190	9,197	91,921,340	9,192
Add: Shares issued during the year	534,084	53	51,850	5
Balance at the end of the year	<b>92,507,274</b>	<b>9,250</b>	<b>91,973,190</b>	<b>9,197</b>

During the year, the Company has issued total 534,084 shares (2014: 51,850) 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 lacs

	As at 31 March 2015		As at 31 March 2014	
	Number	Amounts	Number	Amounts
Equity shares of ₹ 10 each				
Eros Worldwide FZ LLC - the Holding Company	47,126,290	4,713	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 2015		As at 31 March 2014	
	Number	% holding in the class	Number	% holding in the class
Equity shares of ₹ 10 each				
Eros Worldwide FZ LLC - the Holding Company	47,126,290	50.94%	47,126,290	51.24%
Eros Digital Private Limited - fellow subsidiary	21,700,000	23.46%	21,700,000	23.59%

## 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 1,100,274 shares (2014: 566,190) on exercise of options granted under the employees stock option plan (ESOP) wherein part consideration was received in the form of employee services.

## e) 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.

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>4 RESERVES AND SURPLUS</b>		
<b>Securities premium</b>		
Balance at the beginning of the year	30,995	30,909
Add : Additions for ESOP exercised during the year	763	46
Add : Transfer from share option outstanding account	103	40
Balance at the end of the year	<b>31,861</b>	<b>30,995</b>
<b>Share options outstanding account</b>		
Balance at the beginning of the year	584	389
Less: Transfer to securities premium account	(103)	(40)
Add: Employee Stock Option Compensation Expense	469	235
Balance at the end of the year	<b>950</b>	<b>584</b>
<b>General reserve</b>		
Balance at the beginning of the year	586	586
Less: Impact on depreciation expense on transition to Schedule II (Refer note 12)	(60)	-
Balance at the end of the year	<b>526</b>	<b>586</b>
<b>Surplus in the Statement of profit and loss</b>		
Balance at the beginning of the year	47,939	36,535
Add : Net profit after tax for the year	12,419	11,367
Add : Excess provision for dividend distribution tax reversed	-	37
Balance at the end of the year	<b>60,358</b>	<b>47,939</b>
<b>Total</b>	<b>93,695</b>	<b>80,104</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>5 LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Term loan from banks*	16,091	14,728
Car loans#	87	7
	<b>16,178</b>	<b>14,735</b>
Less: Current maturities disclosed under other current liabilities (refer note 10)	(6,645)	(5,003)
<b>Total</b>	<b>9,533</b>	<b>9,732</b>

\*Term loans from banks carry an interest rate between 13% - 16% 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 property 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.

Loans are repayable in monthly/ quarterly instalments over a period of 2 - 5 years.

#Car loans are secured by hypothecation of vehicles acquired there against, carrying rate of interest of 10%-10.50% which are repayable in monthly instalments over a period of 3 years.

Note : There is no default, continuing or otherwise as at the balance sheet date, in repayment of any of the above loans.

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>6 DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred tax liability on</b>		
Depreciation on tangible assets	150	187
Amortisation of intangible assets	26,026	21,295
<b>Total</b>	<b>26,176</b>	<b>21,482</b>
<b>Deferred tax asset on</b>		
Provision for expenses allowed on payment basis	652	603
Others	72	360
<b>Total</b>	<b>724</b>	<b>963</b>
<b>Deferred tax liabilities (net)</b>	<b>25,452</b>	<b>20,519</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>7 OTHER LONG-TERM LIABILITIES</b>		
Trade payables (refer note 38)	98	94
Security deposits received	3	36
<b>Total</b>	<b>101</b>	<b>130</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>8 LONG-TERM PROVISIONS</b>		
Provision for gratuity (refer note 31)	213	143
<b>Total</b>	<b>213</b>	<b>143</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>9 SHORT-TERM BORROWINGS</b>		
<b>Repayable on demand</b>		
Secured from banks	14,598	14,510
Unsecured from others	16,000	13,711
Loans from related parties (unsecured)	395	408
<b>Total</b>	<b>30,993</b>	<b>28,629</b>

Secured short term borrowings include:

Cash credit, secured by way of hypothecation of stock and receivables relating to domestic rights operations along with first pari passu charge on current assets.

Bills discounted, secured by document of title to goods and accepted hundies with first pari passu charge on current assets.

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 property 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.

Note : There is no default, continuing or otherwise as at the balance sheet date, in repayment of any of the above loans

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>10 OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debt (refer note 5)	6,645	5,003
Interest accrued but not due on borrowings	203	70
Unclaimed dividend	1	1
Advances from customers		
- Related parties	25,269	519
- others	1,371	5,010
Duties and taxes payable	1,787	1,581
Other payables	1,530	916
<b>Total</b>	<b>36,806</b>	<b>13,100</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>11 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits	262	188
Provision for tax (net of advance tax and TDS)	1554	2317
<b>Total</b>	<b>1,816</b>	<b>2,505</b>

₹ in lacs

	Buildings	Furniture and fixtures	Motor Vehicles	Office equipment	Data processing equipment	Studio equipment	Total
<b>12 TANGIBLE ASSETS</b>							
<b>Gross block</b>							
<b>Balance as at 1 April 2013</b>	<b>4,108</b>	<b>572</b>	<b>387</b>	<b>92</b>	<b>422</b>	<b>1,494</b>	<b>7,075</b>
Additions	-	-	-	11	15	-	26
Adjustments/ disposals	-	(1)	(44)	(4)	(6)	(3)	(58)
<b>Balance as at 31 March 2014</b>	<b>4,108</b>	<b>571</b>	<b>343</b>	<b>99</b>	<b>431</b>	<b>1,491</b>	<b>7,043</b>
Additions	-	4	139	24	163	17	347
Adjustments/ disposals	-	-	(146)	(2)	-	(2)	(150)
<b>Balance as at 31 March 2015</b>	<b>4,108</b>	<b>575</b>	<b>336</b>	<b>121</b>	<b>594</b>	<b>1,506</b>	<b>7,240</b>
<b>Accumulated Depreciation</b>							
<b>Balance as at 1 April 2013</b>	<b>438</b>	<b>249</b>	<b>280</b>	<b>46</b>	<b>260</b>	<b>951</b>	<b>2,224</b>
Depreciation charge	183	58	26	7	69	110	453
Adjustments/ disposals	-	-	(36)	(1)	(6)	(3)	(46)
<b>Balance as at 31 March 2014</b>	<b>621</b>	<b>307</b>	<b>270</b>	<b>52</b>	<b>323</b>	<b>1,058</b>	<b>2,631</b>
Depreciation charge	170	113	54	30	103	130	600
Adjustments/ disposals	-	6	(133)	13	9	32	(73)
<b>Balance as at 31 March 2015</b>	<b>791</b>	<b>426</b>	<b>191</b>	<b>95</b>	<b>435</b>	<b>1,220</b>	<b>3,158</b>
<b>Net block</b>							
Balance as at 31 March 2014	3,487	264	73	47	108	433	4,412
<b>Balance as at 31 March 2015</b>	<b>3,317</b>	<b>149</b>	<b>145</b>	<b>26</b>	<b>159</b>	<b>286</b>	<b>4,082</b>

## Note:

During the year, the Company has revised the estimates of useful lives of fixed assets as prescribed in of Schedule II of the Companies Act, 2013. Consequent to the above, profit before tax of the year is lower by and depreciation is higher by ₹ 197 lacs. Retained earnings as at 1 April 2014 is lower by ₹ 60 lacs (refer note 4)



# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

₹ in lacs

	Film Rights	Website development	Total	Content advances
<b>13 INTANGIBLE ASSETS</b>				
<b>Gross block</b>				
<b>Balance as at 1 April 2013</b>	199,854	151	200,005	40,793
Additions	50,570	-	50,570	65,613
Adjustments	-	-	-	(59,461)
Amount written off	-	-	-	(100)
<b>Balance as at 31 March 2014</b>	<b>250,424</b>	<b>151</b>	<b>250,575</b>	<b>46,845</b>
Additions*	55,143	-	55,143	107,327
Adjustments	-	-	-	(75,594)
Amount written off	-	-	-	(769)
<b>Balance as at 31 March 2015</b>	<b>305,567</b>	<b>151</b>	<b>305,718</b>	<b>77,809</b>
<b>Accumulated amortisation</b>				
<b>Balance as at 1 April 2013</b>	143,856	34	143,890	
Amortisation charge	39,663	23	39,686	
<b>Balance as at 31 March 2014</b>	<b>183,519</b>	<b>57</b>	<b>183,576</b>	
Amortisation charge	39,691	62	39,753	
<b>Balance as at 31 March 2015</b>	<b>223,210</b>	<b>119</b>	<b>223,329</b>	
<b>Net block</b>				
Balance as at 31 March 2014	66,905	94	66,999	46,845
<b>Balance as at 31 March 2015</b>	<b>82,357</b>	<b>32</b>	<b>82,389</b>	<b>77,809</b>

\*The Company has adopted the option to amortize exchange differences pertaining to long term foreign currency monetary items up to 31 March 2020 given under paragraph 46 of Accounting Standard 11. Of the total balance of ₹ 128 lacs as at 1 April 2014, net foreign exchange aggregating to ₹ 40 lacs has been capitalized to the Intangible assets during the year, of which the Company has charged an amount of ₹ 24 lacs to the Statement of Profit and Loss as per its amortization policy.

₹ in lacs

	As at 31 March 2015 Non-current	As at 31 March 2014 Non-current
<b>14 NON CURRENT INVESTMENTS</b>		
<b>Non-trade (valued at cost)</b>		
<b>Equity shares in subsidiary companies (unquoted)</b>		
<b>Eros International Films Private Limited</b>		
19,930,300 (Previous Year 19,930,300) equity shares of ₹ 10 each, fully paid-up	1,993	1,993
<b>Eros Animation Private Limited</b>		
9,300 (Previous Year 9300) equity shares of ₹ 10 each, fully paid-up	1	1
<b>Copsale Limited</b>		
105,000 (Previous Year 105,000) equity shares of USD 1 each, fully paid-up	45	45
<b>Big Screen Entertainment Private Limited</b>		
6,400 (Previous Year 6,400) equity shares of ₹ 10 each, fully paid-up	1	1
<b>EyeQube Studios Private Limited</b>		
9,999 (Previous Year 9,999) equity shares of ₹ 10 each, fully paid-up	1	1
<b>EM Publishing Private Limited</b>		
9,900 (Previous Year 9,900) equity shares of ₹ 10 each, fully paid-up	1	1
<b>Digicine PTE Limited</b>		
100 (Previous Year 100) equity shares of USD 1 each, fully paid-up	-	-
<b>Colour Yellow Productions Private Limited</b>		
5,000 (Previous Year Nil) equity shares of ₹ 10 each, fully paid-up	1	-
<b>Total</b>	<b>2,043</b>	<b>2,042</b>

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

₹ in lacs

	As at 31 March 2015		As at 31 March 2014	
	Long-term	Short-term	Long-term	Short-term
<b>15 LOANS AND ADVANCES</b>				
<b>Unsecured, considered good</b>				
Security deposits				
- Related parties	704	-	254	-
- Others	137	-	30	100
MAT credit recoverable	8,881	-	7,005	-
Advance payment of taxes	443	-	376	-
Balances with statutory authorities	2,032	-	854	-
Amounts due from related parties	39	821	39	877
Loans and advances to employees	-	275	-	305
Other loans and advances				
Considered good	1,380	2,578	1,388	2,611
Considered doubtful	-	-	65	-
Less: Provisions for doubtful advances	-	-	(65)	-
	<b>1,380</b>	<b>2,578</b>	<b>1,388</b>	<b>2,611</b>
<b>Total</b>	<b>13,616</b>	<b>3,674</b>	<b>9,946</b>	<b>3,893</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>16 OTHER NON-CURRENT ASSETS</b>		
Bank deposits with maturity of more than twelve months	382	550
<b>Total</b>	<b>382</b>	<b>550</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>17 INVENTORIES</b>		
VCD/ DVD/ Audio CDs	104	122
<b>Total</b>	<b>104</b>	<b>122</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>18 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date due for payment, unsecured		
considered good	3,376	2,429
considered doubtful	66	42
	3,442	2,471
Less : Provision for doubtful receivables	(66)	(42)
	<b>3,376</b>	<b>2,429</b>
Other debts		
Unsecured, considered good		
Dues from related parties	15,098	8,629
Dues from others	4,484	6,217
	<b>19,582</b>	<b>14,846</b>
<b>Total</b>	<b>22,958</b>	<b>17,275</b>

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>19 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
a. Cash on hand	16	13
b. Cheques on hand	667	12,498
c. Balances with banks		
In current account	1,665	1,672
In deposit account (with original maturity of less than 3 months)	356	1
	<b>2,704</b>	<b>14,184</b>
<b>Other bank balances</b>		
Unpaid dividend account	1	1
Bank deposits with:		
maturity less than 12 months	57	178
Margin money accounts with:		
maturity less than 12 months	1,092	782
maturity more than twelve months	382	550
	<b>1,532</b>	<b>1,511</b>
Less: disclosed under other non-current assets (refer note 16)	(382)	(550)
<b>Total</b>	<b>3,854</b>	<b>15,145</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>20 OTHER CURRENT ASSETS</b>		
Prepaid expenses	785	234
Unbilled revenue	699	191
Accrued interest	106	103
<b>Total</b>	<b>1,590</b>	<b>528</b>

## 21 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>a) Contingent liabilities</b>		
<b>(i) Claims against the Company not acknowledged as debt</b>		
Sales tax claims disputed by the Company	314	72
Service tax on non-theatrical sales	15,675	-
Income tax liability that may arise in respect of matters in appeal	43	53
Bills of exchange with recourse, accepted but not due	-	5,799
Maharashtra VAT and Central sales tax on theatrical sales	-	1,365
<b>(ii) Guarantees</b>		
Guarantee given in favour of various government authorities	86	86
Guarantees given on behalf of others	-	2,500
<b>Total</b>	<b>16,118</b>	<b>9,875</b>

### Note:

- 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.

# Summary of Significant Accounting Policies

## and other explanatory notes to the financial statements

- 2) During the year ended March 2015, the Company received a notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 15,675 lacs 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.

On 19 March 2015, the Company filed its objections against the said notice before the authorities. Considering the facts and nature of levies and the ad-interim protection for the period 1 July 2010 to 30 June 2012 granted by the Honourable 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

- 3) 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.
- 4) 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.
- 5) The Company does not expect any reimbursements in respect of the above contingent liabilities.

### b) Commitments

	As at 31 March 2015	As at 31 March 2014
Estimated amount of contracts remaining to be executed on capital account	126,156	54,928
	<b>126,156</b>	<b>54,928</b>
<b>Total</b>	<b>142,274</b>	<b>64,803</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>22 REVENUE FROM OPERATIONS (NET)</b>		
Revenue from distribution and exhibition of film and other rights	106,719	82,706
Revenue from services	451	3,006
<b>Total</b>	<b>107,170</b>	<b>85,712</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>23 OTHER INCOME</b>		
Sundry Balances W/back	918	25
Interest income	265	-
Gain on sale of current investments	-	3
Other non-operating income	400	189
Gain on foreign currency transactions and translation (net)	312	-
Gain on sale of tangible assets (net)	6	-
<b>Total</b>	<b>1,901</b>	<b>217</b>

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>24 PURCHASES/ OPERATING EXPENSES</b>		
Amortisation of film rights (refer note 13)	39,691	39,663
Film rights cost	21,220	8,891
Print and digital distribution cost	2,736	2,182
Selling and distribution expenses	10,238	5,488
Processing and other direct cost	496	501
Shipping, packing and forwarding expenses	189	257
Home entertainment products related cost	128	297
<b>Total</b>	<b>74,698</b>	<b>57,279</b>

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>25 CHANGES IN INVENTORIES</b>		
Opening stock		
- Finished goods	122	149
- Films under production	-	460
	122	609
Closing stock		
- Finished goods	104	122
- Films under production	-	-
	104	122
<b>Total</b>	<b>18</b>	<b>487</b>

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>26 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and bonus	2,735	2,113
Contribution to provident and other funds (refer note 31)	117	89
Gratuity expense (refer note 31)	81	46
Employee stock option compensation (refer note 31)	469	235
Staff welfare expenses	39	31
<b>Total</b>	<b>3,441</b>	<b>2,514</b>

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>27 FINANCE COSTS</b>		
Interest expense	5,378	4,855
Other borrowing costs	278	257
Interest on late payment of taxes	228	603
	<b>5,884</b>	<b>5,715</b>
Less: Interest capitalised to film rights	(1,903)	(1,938)
Less: Interest received	(137)	(506)
<b>Total</b>	<b>3,844</b>	<b>3,271</b>

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>28 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on tangible assets (refer note 12)	600	453
Amortisation on intangible assets (refer note 13)	62	23
<b>Total</b>	<b>662</b>	<b>476</b>

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>29 OTHER EXPENSES</b>		
Power and fuel	78	62
Rent	363	175
Repairs and maintenance	205	133
Insurance	23	68
Rates and taxes	39	75
Legal and professional	1,488	959
Payments to auditors (refer note 37)	52	49
Provision for doubtful receivables (refer note 18)	66	42
Provision for doubtful advances	-	269
Communication expenses	72	56
Travelling and conveyance	435	204
Content advances written off (refer note 13)	769	100
Advances and deposits written off	417	-
Loss on disposal of fixed assets (net)	-	4
Trade receivables written off	2,315	498
Loss on foreign currency transactions and translation (net)	-	415
CSR expenditure (Refer note 40)	55	-
Miscellaneous expenses	244	279
<b>Total</b>	<b>6,621</b>	<b>3,388</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>30 EARNINGS PER SHARE</b>		
<b>a) Computation of net profit for the year</b>		
Profit after tax attributable to equity shareholders (₹ in lacs)	12,419	11,367
<b>b) Computation of number of shares for Basic Earnings per share</b>		
Weighted average number of equity shares	92,277,558	91,932,420
<b>Total</b>	<b>92,277,558</b>	<b>91,932,420</b>
<b>c) Computation of number of shares for Diluted Earnings per share</b>		
Weighted average number of equity shares	93,498,796	92,323,976
<b>Total</b>	<b>93,498,796</b>	<b>92,323,976</b>
<b>d) Nominal value of shares</b>	10	10
<b>e) Computation</b>		
Basic	13.46	12.36
Diluted	13.28	12.31

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

## 31 EMPLOYMENT BENEFITS

### a) Gratuity

The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>I Change in projected benefit obligation</b>		
Liability at the beginning of the year	174	131
Interest cost	17	11
Current service cost	20	21
Benefits paid	(6)	(3)
Actuarial loss on obligations	44	14
Liability at the end of the year	249	174
Current portion	36	31
Non-current portion	213	143
<b>II Recognised in Balance Sheet</b>		
Liability at the end of the year	(249)	(174)
Amount recognized in Balance Sheet	<b>(249)</b>	<b>(174)</b>
<b>III Expense recognized in Statement of Profit and loss</b>		
Current service cost	20	21
Interest cost	17	11
Actuarial loss	44	14
Expense recognized in Statement of Profit and loss	<b>81</b>	<b>46</b>
<b>IV Assumptions used</b>		
Discount rate	7.96%	9.31%
Long-term rate of compensation increase	10.00%	10.00%
Attrition Rate	2.00%	2.00%
Expected average remaining working life	17.00	17.00

	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011
<b>V Experience adjustment</b>					
Loss/(gain) on plan liability	10	5	21	(7)	1
Defined Benefit Obligations at the end of the year	248	174	131	81	69

The estimates of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### b) Compensated absences

The Company incurred ₹ 65 lacs (Previous year ₹ 21.02 lacs) towards accrual for compensated absences during the year.

### c) Provident fund

The Company contributed ₹ 113 lacs (Previous year ₹ 86 lacs) to the provident fund plan and ₹ 4 lacs (Previous year ₹ 3 lacs) to the Employee state insurance plan during the year.

### d) Employee stock compensation (ESOP 2009 Scheme):

The Company has instituted Employees' Stock Option Plan "ESOP 2009" 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 17 December 2009.

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

The details of activity under the ESOP 2009 scheme are summarized below:

Particulars	31-Mar-15		31-Mar-14	
	No. of options	WAEP*	No. of options	WAEP
Outstanding at the beginning of the year	1,397,682	120	1,176,568	112
Granted during the year	691,961	10	300,000	150
Lapsed during the year	(118,159)	147	(27,036)	175
Exercised during the year	(534,084)	153	(51,850)	98
Outstanding at the end of the year	1,437,400	52	1,397,682	120
Exercisable at the end of the year	413,337	82	646,474	136

\*WAEP denotes weighted average exercise price of the option

For the options exercised during the year, the weighted average share price at the exercise date was ₹ 153 per share (31 March 2014: ₹ 98 per share)

The range of exercise prices for the options outstanding at the end of the year was ₹ 10 to ₹ 175 per share (31 March 2014: ₹ 75 to ₹ 175 per share).

The Company incurred ₹ 469 lacs (Previous year ₹ 235 lacs) towards employees stock compensation plan during the year

The weighted average fair value of stock options granted during the year was ₹ 303 (31 March 2014: ₹ 55). 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
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility	75.00%	60.00%	44.00%	35.00%	40.11%	37.84%
Risk free interest rate	6.30%	6.50%	8.36%	8.57%	8.50%	7.74%
Exercise price	75-175	75-135	75	150	10	10
Expected life of options granted in years	5.25	5.25	5.50	4.50	As per Table 1.1	

**Table 1.1**  
Expected life of options granted in years

Option Grant date	12-Feb-15		12-Nov-14	
	Old Employees	New Employees	Old Employees	New Employees
Year I	3.00	3.00	3.50	4.50
Year II	3.50	4.00	4.50	5.50
Year III	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.



# Summary of Significant Accounting Policies

## and other explanatory notes to the financial statements

The Company measures the cost of ESOP using intrinsic value method. Had the Company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to amounts indicated below:

	₹ in lacs	
	Year ended 31 March 2015	Year ended 31 March 2014
<b>Profit after tax attributable to equity shareholders (₹ in lacs)</b>	12,419	11,367
Add: ESOP cost using the intrinsic value method	469	235
Less: ESOP cost using the fair value method	(547)	(326)
<b>Proforma profit after tax</b>	12,341	11,276
<b>Earnings per share</b>		
Basic		
- As reported	13.46	12.36
- Proforma	13.37	12.27
Diluted		
- As reported	13.28	12.31
- Proforma	13.20	12.24

### 32 SEGMENT REPORTING

As permitted by Accounting Standard -17, 'Segment Reporting', if a single financial report contains both consolidated financial statements and separate financial statements of the parent, segment information needs to be presented only on the basis of consolidated financial statements. Accordingly, disclosures mandated by AS-17 have been made in the consolidated financial statements.

### 33 RELATED PARTY DISCLOSURES

#### a) Names of related parties

Relationship	Name
Ultimate holding company	Eros International PLC, Isle of Man
Holding company	Eros Worldwide FZ LLC, Dubai
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 (w.e.f 24 May 2014)
	Ayngaran International Limited (Isle of Man)
	Ayngaran International UK Limited
	Ayngaran International Mauritius Limited
	Ayngaran International Media Private Limited
	Ayngaran Anak Media Private Limited
Fellow subsidiary companies with whom transactions exist	Eros Digital Private Limited
	Eros International Limited, United Kingdom
Key management personnel (KMP)	Mr. Sunil Lulla – Executive Vice Chairman and Managing Director
	Mr. Kishore Lulla – Executive Director
	Mrs. Jyoti Deshpande – Executive Director
	Mr. Vijay Ahuja – Non-Executive Director (w.e.f. 13 February 2015)
	Mr. Kamal Jain - Group Chief Financial Officer (India) (upto 30 November 2014)
	Mr. Dinesh Modi - Group Chief Financial Officer (India) (w.e.f. 11 November 2014)
	Ms. Dimple Mehta - Company Secretary and Compliance Officer
Relatives of KMP with whom transactions exist	Mrs. Manjula K Lulla (wife of Mr. Kishore Lulla)
	Mrs. Krishika Lulla (wife of Mr. Sunil Lulla)
Entities over which KMP exercise significant influence	Shivam Enterprises

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

## b) Transactions with related parties

	₹ in lacs	
	Year ended 31 March 2015	Year ended 31 March 2014
<b>Sale of film rights</b>		
Eros Worldwide FZ LLC	37,313	12,118
EM Publishing Private Limited	8	2
Copsale Limited	6,483	-
<b>Total</b>	<b>43,804</b>	<b>12,120</b>
<b>Sale of prints/VCD/DVD</b>		
Eros Worldwide FZ LLC	69	696
<b>Total</b>	<b>69</b>	<b>696</b>
<b>Purchase of film rights</b>		
Eros International Films Private Limited	-	155
Ayngaran International Media Private Limited	225	-
<b>Total</b>	<b>225</b>	<b>155</b>
<b>Re-imbursement of administrative expense</b>		
Eros Worldwide FZ LLC	1,482	320
Eros International Films Private Limited	12	12
Colour Yellow Productions Private Limited	2	-
<b>Total</b>	<b>1,496</b>	<b>332</b>
<b>Investment in</b>		
Eros Animation Private Limited	-	1
Colour Yellow Productions Private Limited	1	-
<b>Total</b>	<b>1</b>	<b>1</b>
<b>Rent paid</b>		
Mr. Sunil Lulla	96	36
Mrs. Manjula K Lulla	36	36
Mr. Kishore Lulla	60	-
<b>Total</b>	<b>192</b>	<b>72</b>
<b>Interest paid</b>		
EyeQube Studios Private Limited	3	5
Eros Digital Private Limited	40	35
<b>Total</b>	<b>43</b>	<b>40</b>
<b>Salary, commission and perquisites* to KMPs</b>		
Mr. Sunil Lulla	385	481
Mr. Kishore Lulla	96	189
Mrs. Jyoti Deshpande**	87	79
Mrs. Krishika Lulla	70	15
Mr. Kamal Jain** - Group Chief Financial Officer (India) (upto 30 November 2014)	159	90
Mr. Dinesh Modi** - Group Chief Financial Officer (India) (w.e.f. 11 November 2014)	29	-
Ms. Dimple Mehta** - Company Secretary and Compliance Officer	28	22
<b>Total</b>	<b>854</b>	<b>876</b>

\*Perquisites to KMP have been valued as per Income tax Act, 1961 and rules framed there under or at actuals as the case may be.

\*\*Excludes ₹ 112 lacs (Previous year ₹ 215 lacs) charged to Statement of Profit and loss on account of stock compensation for awards granted.

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

## b) Transactions with related parties (Continued)

	₹ in lacs	
	Year ended 31 March 2015	Year ended 31 March 2014
<b>Content advances</b>		
Eros International Limited	-	255
Eros International Films Private Limited	3,453	810
Ayngaran International Media Private Limited	-	8
EM Publishing Private Limited	-	6
Digicine PTE Limited	-	24
EyeQube Studios Private Limited	12	-
Colour Yellow Productions Private Limited	2,157	-
<b>Total</b>	<b>5,622</b>	<b>1,103</b>
<b>Recovery of advances</b>		
Eros International Films Private Limited	1,727	239
Eros International Limited	-	255
Ayngaran International Media Private Limited	-	1,042
Colour Yellow Productions Private Limited	1,923	-
Ms. Jyoti Deshpande	-	49
Mrs. Manjulla Lulla	-	6
<b>Total</b>	<b>3,650</b>	<b>1,591</b>
<b>Trade Advances received</b>		
Eros Worldwide FZ LLC	50,334	25
Eros Digital Private Limited	-	335
EyeQube Studios Private Limited	-	80
Eros International Limited	1,294	-
<b>Total</b>	<b>51,628</b>	<b>440</b>
<b>Repayment of advances</b>		
Eros Worldwide FZ LLC	25,584	1,821
EyeQube Studios Private Limited	40	47
Big Screen Entertainment Private Limited	1	-
Eros International Limited	1,294	-
<b>Total</b>	<b>26,919</b>	<b>1,868</b>
<b>Deposits given</b>		
Mr. Sunil Lulla	240	-
Mr. Kishore Lulla	240	-
<b>Total</b>	<b>480</b>	<b>-</b>
<b>Refund of deposits</b>		
Mr. Sunil Lulla	29	23
<b>Total</b>	<b>29</b>	<b>23</b>

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

## c) Balances with related parties

	Year ended 31 March 2015	Year ended 31 March 2014
₹ in lacs		
<b>Trade balances due from</b>		
Eros Worldwide FZ LLC	8,615	8,629
Copsale Limited	6,483	-
<b>Total</b>	<b>15,098</b>	<b>8,629</b>
<b>Trade balances/ advances due to</b>		
Eros International Limited	98	94
Big Screen Entertainment Private Limited	329	330
Eros Worldwide FZ LLC	25,269	519
EyeQube Studios Private Limited	-	40
Eros Digital Private Limited	395	367
<b>Total</b>	<b>26,091</b>	<b>1,350</b>
<b>Content advances given to</b>		
Eros International Films Private Limited	4,614	2,875
Colour Yellow Productions Private Limited	394	-
<b>Total</b>	<b>5,008</b>	<b>2,875</b>
<b>Loans or advances due from</b>		
Shivam Enterprises	39	39
EM Publishing Private Limited	35	26
Ayngaran International Media Private Limited	738	803
Digicine Pte Limited	32	32
EyeQube Studios Private Limited	13	-
<b>Total</b>	<b>857</b>	<b>900</b>
<b>Amounts due from KMPs or their relatives</b>		
Security deposits paid		
- Mr. Sunil Lulla	389	179
- Mrs. Manjula Lulla	75	75
- Mr. Kishore Lulla	240	-
Others		
- Mr. Kamal Jain	-	15
- Mrs. Krishika Lulla	3	-
<b>Total</b>	<b>707</b>	<b>269</b>
<b>Amounts due to KMPs or their relatives</b>		
Mr. Sunil Lulla	30	21
Mr. Kishore Lulla	22	5
Mrs. Manjula Lulla	45	13
Mrs. Jyoti Deshpande	5	5
Mrs. Krishika Lulla	-	11
<b>Total</b>	<b>102</b>	<b>55</b>

# Summary of Significant Accounting Policies

and other explanatory notes to the financial statements

Currency	Amount in lacs		Exchange rate		Amount in ₹ lacs	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<b>34 UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE REPORTING DATE</b>						
<b>Receivable</b>						
USD	133	173	62.34	60.10	8,307	10,406
SGD	0	0	45.43	47.73	8	8
<b>Payable</b>						
USD	412	106	62.34	60.10	25,449	6,370
Euro	-	0	66.97	82.73	-	1

	Year ended 31 March 2015	Year ended 31 March 2014
<b>35 EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)</b>		
Export value of goods on FOB basis	44,299	17,352
<b>Total</b>	<b>44,299</b>	<b>17,352</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>36 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)</b>		
Professional and consultation fees	93	-
Interest	-	41
Others	228	184
<b>Total</b>	<b>321</b>	<b>225</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>37 AUDITORS' REMUNERATION</b>		
As auditor		
Statutory audit	29	29
Limited review	13	15
Tax audit	5	3
	<b>47</b>	<b>47</b>
In other capacity		
Other services (certification fees)	3	1
	<b>3</b>	<b>1</b>
Reimbursement of expenses	2	1
<b>Total</b>	<b>52</b>	<b>49</b>

# Summary of Significant Accounting Policies

## and other explanatory notes to the financial statements

- 38** Based on the information available with the Company, there are no dues payable as at the year end to micro, small and medium enterprises as defined in The Micro, Small & Medium Enterprises Development Act, 2006. This information has been relied upon by the statutory auditors of the Company.
- 39** The Company is engaged in the production and trading of film rights, which requires various types, qualities and quantities of raw materials and inputs in different denominations. Due to the multiplicity and complexity of items, it is not practicable to maintain quantitative record or continuous stock register, as the process of making films is not amenable to it. Hence, quantitative details are not maintained by the Company as is the practice generally followed by companies in the industry.
- 40** 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 ₹ 358 lacs, of which ₹ 55 lacs have been spent by the Company.

For **Walker Chandiok & Co LLP**  
(formerly known as Walker, Chandiok & Co)  
**Chartered Accountants**

**Adi P. Sethna**  
Partner  
Membership No: 108840

Place : Mumbai  
Date : 29 May 2015

**For and on behalf of Board of directors**

**Sunil Lulla**  
Executive Vice Chairman  
and Managing Director

**Dinesh Modi**  
Group Chief Financial  
Officer (India)

Place : Mumbai  
Date : 29 May 2015

**Jyoti Deshpande**  
Executive Director

**Dimple Mehta**  
Company Secretary  
and Compliance Officer

# Independent Auditor's Report

## to the Members of Eros International Media Limited

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of **Eros International Media Limited**, ("the Holding Company") and its subsidiaries (the Holding Company, and its subsidiaries together referred to as ("the Group")), which comprise the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors of the subsidiary companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Group; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. 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 auditor's report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing 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 consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 controls 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, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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.
7. 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 the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### OPINION

8. 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 reports of the other auditors on the financial statements of the subsidiaries, 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 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

# Independent Auditor's Report

## to the Members of Eros International Media Limited (Contd.)

### OTHER MATTERS

9. We did not audit the financial statements of twelve subsidiary companies, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 126,666 lakhs as at 31 March 2015, total revenues (after eliminating intra-group transactions) of ₹ 41,425 lakhs and net cash flows amounting to ₹ 445 lakhs for the year ended on that date. These financial statements have been audited by other auditors whose reports 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) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and based on the comments in the auditor's reports of the subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, as applicable to such companies.
11. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries, we report, to the extent applicable, 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 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 so far as it appears from our examination of those books and the reports of the other auditors;
  - c) the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated

Cash Flow Statement dealt with by this Report are in agreement with the relevant 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) as detailed in Note 22, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
  - (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For **Walker Chandiok & Co LLP**  
(formerly known as Walker, Chandiok & Co)  
**Chartered Accountants**  
Firm Registration No: 001076N/N500013  
per **Adi P. Sethna**  
Partner  
Membership No: 108840  
Place : Mumbai  
Date : 29 May 2015



# Annexure to the Independent Auditor's Report

of even date to the members of Eros International Media Limited, on the consolidated financial statements for the year ended 31 March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the consolidated financial statements of the Holding Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and based on the comments in the auditor's reports of the subsidiary companies incorporated in India (below reporting with respect to subsidiary companies is limited to those incorporated in India), we report that:

- (i) (a) The Holding Company and subsidiary companies having fixed assets, have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets have been physically verified by the management of the Holding Company and subsidiary companies having fixed assets and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of these entities and the nature of their assets.
- (ii) (a) During the year, the management of the Holding Company and subsidiary companies having tangible inventory, has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management of the Holding Company and subsidiary companies having tangible inventory are reasonable and adequate in relation to their size and the nature of their business.
- (c) The Holding Company and subsidiary companies having tangible inventory, are maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Holding Company and two subsidiaries have granted unsecured loans to companies and firms covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, receipt of the principal amount is regular; and
  - (b) there is no overdue amount in respect of loans granted to such companies and firms.
- (iv) In our opinion, certain items purchased are of a specialised nature for which suitable alternative sources do not exist for comparative quotations. However, there is an adequate internal control system commensurate with the size of the Holding Company and subsidiary companies; and the nature of their business for the purchase of content, related consumables and fixed assets and for the sale of fixed assets, services and film rights. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Holding Company and subsidiary companies have not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the products/ services of the Holding Company and subsidiary companies. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) *Except for undisputed statutory dues in respect of income tax, value added tax and service tax, the Holding Company and subsidiary companies are generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, duty of customs, fringe benefit tax, professional tax, duty of excise, cess and other material statutory dues, as applicable with the appropriate authorities. Undisputed amounts payable in respect thereof, by the Holding Company and one subsidiary company, which were outstanding at the year-end for a period of more than six months from the date they became payable as mentioned in Annexure I of the report.*
  - (b) Dues outstanding in respect of income-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as mentioned in Annexure II of the report.
  - (c) There were no amounts which were required to be transferred to the Investor Education and

# Annexure to the Independent Auditor's Report

of even date to the members of Eros International Media Limited, on the consolidated financial statements for the year ended 31 March 2015 (Contd.)

Protection Fund by the Holding Company and subsidiary companies in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.

(viii) In our opinion, the Holding Company has not accumulated losses at the end of the financial year and has not incurred cash losses in the current and the immediately preceding financial year. Two subsidiary companies do not have accumulated losses at the end of the financial year but have incurred cash losses in the current and immediately preceding financial year. Four subsidiary companies have accumulated losses at the end of the financial year and have incurred cash losses in the current and immediately preceding financial year. One subsidiary company has accumulated losses at the end of the financial year but has not incurred cash losses in the current and immediately preceding financial year. One subsidiary has been registered for a period of less than five years and accordingly the provisions of this clause are not applicable.

(ix) The Holding Company has not defaulted in repayment of dues to any bank or financial institution during the year. None of the subsidiary companies had any term loans outstanding during the year. The Holding Company and subsidiary companies did not have any outstanding debentures during the year.

(x) In our opinion, the terms and conditions on which the Holding Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the company. None of the subsidiary companies have given any guarantees for loans taken by others from banks or financial institutions.

(xi) In our opinion, the Holding Company has applied the term loans for the purpose for which these loans were obtained. None of the subsidiary companies had any term loans outstanding during the year.

(xii) As per the information and explanations given by the management of the Holding Company and subsidiary companies, no material fraud on or by these entities has been noticed or reported during the period covered by our audit.

For **Walker Chandiok & Co LLP**  
(formerly known as Walker, Chandiok & Co)  
**Chartered Accountants**  
Firm Registration No: 001076N/N500013  
per **Adi P. Sethna**  
Partner  
Membership No: 108840  
Place : Mumbai  
Date : 29 May 2015

## ANNEXURE I TO CLAUSE vii (a)

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Finance Act, 1994	Service tax**	152.51	Financial Year 2010-11	Various dates	Unpaid
Maharashtra Value Added Tax Act, 2002	Value Added Tax	80.18	Financial Year 2008-09	Various dates	Unpaid
Income tax Act, 1961	Fringe Benefit Tax	15.19	Financial Year 2006-07 to 2008-09	Various dates	Unpaid
Income tax Act, 1961	Tax deducted at source	0.13	Financial Year 2012-13 to 2013-14	Various dates	Unpaid
The Maharashtra State tax on Professions, Trades, Callings and Employment Act, 1975	Profession Tax	0.05	Financial Year 2013-14 and 2014-15	30 June 2013 and 30 June 2014	Unpaid

\*\* The Finance Act, 2010 levied service tax on temporary transfer of copyright in the period 1 July 2010 to 30 June 2012. In 2011, the Holding 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.

## Annexure to the Independent Auditor's Report

of even date to the members of Eros International Media Limited, on the consolidated financial statements for the year ended 31 March 2015 (Contd.)

### ANNEXURE II TO CLAUSE vii (b)

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount Paid Under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1944	Sales tax	28.63	-	Financial Year 2005-06 and 2008-09	Joint Commissioner of sales tax (Appeals)
Maharashtra Value Added Tax, 2002	Sales tax	285.06	-	Financial Year 2005-06 and 2008-09	Joint Commissioner of sales tax (Appeals)
Income tax Act, 1961	Income tax	6.67	-	Assessment Year 2002-03 to 2004-05	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	36.75	-	Assessment Year 2004-05	High Court
Central Sales Tax Act, 1944	Sales tax	133.41	-	Financial Year 2012-13 and 2008-09	Appellate Deputy Commissioner of Commercial Taxes
Maharashtra Value Added Tax Act, 2002	Sales tax	1046.96	-	Financial Year 2009-10 to 2010-11	Joint Commissioner of Sales Tax (Appeals)
Maharashtra Value Added Tax Act, 2002	Sales tax	16.45	-	Financial Year 2008-09	Deputy Commissioner of Sales Tax (Appeals)
Central Sales Tax Act, 1944	Sales tax	301.82	-	Financial Year 2009-10 to 2010-11	Joint Commissioner of Sales Tax (Appeals)
Income tax Act, 1961	Income tax	98.54	25	Financial Year 2008-09	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	231.32	30	Financial Year 2009-10 to 2011-12	Commissioner of Income Tax (Appeals)

# Consolidated Balance Sheet

as at 31 March 2015

₹ in lacs

	Notes	As at 31 March 2015	As at 31 March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	9,250	9,197
Reserves and surplus	4	138,971	111,665
		<b>148,221</b>	<b>120,862</b>
<b>Minority interest</b>			
		120	127
<b>Non-current liabilities</b>			
Long-term borrowings	5	9,533	9,732
Deferred tax liabilities (net)	6	25,698	20,519
Other long-term liabilities	7	101	216
Long-term provisions	8	221	150
		<b>35,553</b>	<b>30,617</b>
<b>Current liabilities</b>			
Short-term borrowings	9	32,968	28,588
Trade payables		23,785	23,101
Other current liabilities	10	84,325	13,453
Short-term provisions	11	1,891	2,595
		<b>142,969</b>	<b>67,737</b>
<b>Total</b>		<b>326,863</b>	<b>219,343</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	12	4,130	4,500
Intangible assets	13	117,283	99,583
Content advances	13	99,406	57,889
Films under production		2,405	-
Non current investments	14	-	800
Long term loans and advances	15	13,805	10,187
Other non-current assets	16	382	5,074
		<b>237,411</b>	<b>178,033</b>
<b>Current assets</b>			
Inventories	17	13,691	401
Trade receivables	18	52,574	20,527
Cash and bank balances	19	16,968	15,436
Short-term loans and advances	20	4,590	4,418
Other current assets	21	1,629	528
		<b>89,452</b>	<b>41,310</b>
<b>Total</b>		<b>326,863</b>	<b>219,343</b>

Notes 1 to 34 forms an integral part of the financial statement

This is the Balance sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**  
(formerly known as Walker, Chandiok & Co)

**Chartered Accountants**

**Adi P. Sethna**

Partner

Membership No: 108840

Place : Mumbai

Date : 29 May 2015

For and on behalf of Board of directors

**Sunil Lulla**

Executive Vice Chairman  
and Managing Director

**Dinesh Modi**

Group Chief Financial  
Officer (India)

Place : Mumbai

Date : 29 May 2015

**Jyoti Deshpande**

Executive Director

**Dimple Mehta**

Company Secretary  
and Compliance Officer

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2015

₹ in lacs

	Notes	Year ended 31 March 2015	Year ended 31 March 2014
<b>REVENUE</b>			
Revenue from operations (net)	23	142,117	113,466
Other income	24	1,986	498
<b>Total revenue</b>		<b>144,103</b>	<b>113,964</b>
<b>EXPENSES</b>			
Purchases/operating expenses	25	107,285	76,768
Changes in inventories	26	(13,290)	557
Employee benefits expense	27	3,590	2,820
Finance costs	28	3,840	3,274
Depreciation and amortisation expense	29	689	502
Other expenses	30	9,674	3,346
<b>Total expenses</b>		<b>111,788</b>	<b>87,267</b>
<b>Profit before tax</b>		<b>32,315</b>	<b>26,697</b>
<b>TAX EXPENSE</b>			
Current tax		4,147	3,957
Deferred tax		5,175	5,172
Minimum alternate tax credit		(1,865)	(1,323)
Short/(excess) provision for tax of earlier years		158	(436)
		<b>7,615</b>	<b>7,370</b>
<b>Profit after tax before Minority Interest</b>		<b>24,700</b>	<b>19,327</b>
<b>Minority interest</b>		(6)	(642)
<b>Net Profit after Minority Interest</b>		<b>24,706</b>	<b>19,969</b>
<b>Earnings per equity share:</b>			
- Basic (In ₹)	31	26.78	21.72
- Diluted (In ₹)	31	26.43	21.63

**Note 1 to 34 forms an integral part of the financial statement**

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Co LLP**  
(formerly known as Walker, Chandiok & Co)

**Chartered Accountants**

**Adi P. Sethna**  
Partner  
Membership No: 108840

**For and on behalf of Board of directors**

**Sunil Lulla**  
Executive Vice Chairman  
and Managing Director

**Jyoti Deshpande**  
Executive Director

**Dinesh Modi**  
Group Chief Financial  
Officer (India)

**Dimple Mehta**  
Company Secretary  
and Compliance Officer

Place : Mumbai  
Date : 29 May 2015

Place : Mumbai  
Date : 29 May 2015

# Consolidated Cash Flow Statement

for the year ended 31 March 2015

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>32,315</b>	<b>26,697</b>
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation/ amortisation on assets	50,445	46,506
Trade receivables written off	2,317	626
Sundry balances written off	-	-
Sundry balances written back	(916)	(25)
Content advances written off	2,082	100
Advances and deposits written off	417	-
Provision for doubtful receivables	66	42
Sundry balances written off	1	-
Provision for doubtful advances	-	269
Finance costs(Net)	3,977	3,274
Expense on Employee stock option compensation	469	235
Interest income	(302)	(125)
(Gain)/Loss on sale of tangible assets(Net)	(6)	4
Gain on sale of current investments	-	(3)
Provision for employee benefits	82	44
Provision for diminution in value of investment	800	-
Unrealised foreign exchange gain/ (loss)	661	(1,011)
<b>Operating profit before working capital changes</b>	<b>92,408</b>	<b>76,633</b>
Movements in working capital:		
Increase/(Decrease) in trade payables	12,108	8,893
Increase/(Decrease) in long term provisions	510	-
Increase/(Decrease) in other current liabilities	55,904	391
Increase/(Decrease) in other long term liabilities	-	(439)
Increase/(Decrease) in short term provisions	76	(109)
(Increase)/Decrease in trade receivables	(32,482)	75
(Increase)/Decrease in inventories	(15,329)	557
(Increase)/Decrease in short-term loans and advances	(4,375)	(1,255)
(Increase)/Decrease in other current assets	(1,062)	4,877
(Increase)/Decrease in long-term loans and advances	(9,239)	945
(Increase)/Decrease in other non-current assets	168	264
Cash generated from operations	<b>98,687</b>	<b>90,832</b>
Taxes paid (Net)	(5,353)	(3,661)
<b>Net cash flow generated from operating activities (A)</b>	<b>93,334</b>	<b>87,171</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(349)	(28)
Investment in content advances	(93,484)	(89,589)
Advance given to an undertaking	(1,500)	-
Deposits with banks	(12,560)	-
Proceeds from sale of fixed assets	19	10
Proceeds from encashment of deposits	-	11,007
Proceeds from sale of current investments	-	23
<b>Net cash flow used in investing activities (B)</b>	<b>(107,874)</b>	<b>(78,577)</b>

# Consolidated Cash Flow Statement

for the year ended 31 March 2015

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity share capital	816	51
Repayment of long-term borrowings	(6,179)	(3,163)
Proceeds from long-term borrowings	7,612	2,957
Proceeds from short-term borrowings	42,800	2,500
Repayment of short-term borrowings	(36,886)	(833)
Net change in other short-term borrowing	(1,575)	1,742
Finance charges	(3,710)	(2,698)
Interest income	399	125
Dividend paid on equity shares	-	(1)
<b>Net cash flow generated from financing activities (C)</b>	<b>3,277</b>	<b>680</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(11,263)</b>	<b>9,274</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>14,475</b>	<b>5,281</b>
<b>Effect of movement in exchange rate on consolidation of foreign subsidiaries</b>	<b>235</b>	<b>(80)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,447</b>	<b>14,475</b>

Notes 1 to 34 form an integral part of these financial statements

- This is the Cash Flow Statement referred to in our report of even date
- The Cash Flow Statement has been prepared under indirect method as set in Accounting Standard - 3 'Cash Flow Statement' as notified under Companies Act, 2013

For **Walker Chandio & Co LLP**  
(formerly known as Walker, Chandio & Co)  
**Chartered Accountants**

**Adi P. Sethna**  
Partner  
Membership No: 108840

Place : Mumbai  
Date : 29 May 2015

For and on behalf of Board of directors

**Sunil Lulla**  
Executive Vice Chairman  
and Managing Director

**Dinesh Modi**  
Group Chief Financial  
Officer (India)

Place : Mumbai  
Date : 29 May 2015

**Jyoti Deshpande**  
Executive Director

**Dimple Mehta**  
Company Secretary  
and Compliance Officer

# Summary of Significant Accounting Policies

## and other explanatory notes to the consolidated financial statements

### 1 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. The Group also includes Ayngaran group of companies which is involved in the acquisition, production and distribution of Tamil films worldwide.

### 2 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

#### (i) Basis of Preparation

The Group's consolidated financial statements which have been prepared under historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act 2013, and comply in all material aspects with the accounting principles generally accepted in India including the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

The accounting policies have been consistently applied unless otherwise stated.

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.

#### (ii) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting

principles ('GAAP') requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses, as well as disclosure of contingent liabilities on the date of the financial statements. Key estimates made by the Group in preparing these financial statements include useful lives of assets as well as utilization of economic benefits from these assets, accrual of expenses, recoverability of trade receivables, minimum alternate tax credits and deferred tax assets as well as assumptions for valuation of employee benefits and stock options. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results may differ from those estimates. Any revision to accounting estimates is recognized prospectively, in the period in which revisions are made.

#### (iii) Principles of consolidation

The consolidated financial statements refer to those of the Group and have been prepared on the following basis:

- The financial statements of the Company and its subsidiaries including step down subsidiaries have been consolidated in accordance with Accounting standard 21 - 'Consolidated Financial statements' by adding, on a line by line basis, the book values of the items like assets, liabilities, income and expenses, after eliminating intra-group transactions and balances. Unrealised profits or losses, if any, from such intra-group transactions are eliminated in totality.
- The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The impact of change in accounting policies, if not material, has been ignored.
- Minority interest in the net assets of consolidated financial statements consists of the amount of equity attributable to the minority shareholders at the date on investment has been made by the Company in the subsidiary company and movements in their share of equity and reserves, subsequent to such date. Where accumulated losses attributable to the minority are in excess of equity, in the absence of the contractual obligation on the minorities, the same are accounted for by the parent.



# Summary of Significant Accounting Policies

## and other explanatory notes to the consolidated financial statements

- All entities in the Group follow a March 31 reporting year-end.
- Following is the list of entities consolidated under the Group:

Sr. No	Name of the Company	Country of Incorporation	Subsidiary with effect from date	% Holding as at 31 March 2014
1	Eros International Films Private Limited	India	March 31, 1997	99.65
2	Copsale Limited	British Virgin Island	February 11, 1999	100.00
3	Big Screen Entertainment Private Limited	India	January 17, 2007	64.00
4	Ayngaran International Limited (Isle of Man)	Isle of Man	October 1, 2007	51.00
5	Ayngaran International UK Limited	United Kingdom	October 1, 2007	100.00
6	Ayngaran International Media Private Limited	India	October 1, 2007	100.00
7	EyeQube Studios Private Limited	India	October 31, 2007	99.99
8	Ayngaran Mauritius Limited	Mauritius	March 7, 2008	100.00
9	Ayngaran Anak Media Private Limited	India	October 6, 2008	51.00
10	Eros Animation Private Limited	India	January 2, 2009	100.00
11	EM Publishing Private Limited	India	March 25, 2009	99.00
12	Digicine PTE Limited	Singapore	March 30, 2012	100.00
13	Colour Yellow Productions Private Limited	India	May 23, 2014	50.00

### (iv) Significant accounting policies

Significant accounting policies and explanatory information to the Consolidated Financial Statements include notes involving only those items which are considered material to the financial statements of the Group as a whole. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in the separate financial statements of the parent and subsidiaries having no bearing on the true and fair view of the Consolidated Financial Statements have not been disclosed in the Consolidated Financial Statements.

#### (a) Revenue recognition

- Theatrical sales: Revenue from theatrical distribution is recognized on exhibition of films. In case of distribution through theatres, revenue is recognized on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognized on theatrical release.
- Sale of film rights: Sale of rights is recognized on effective delivery of materials to customers as per terms of the sale agreements. Sale of overseas rights is recognized on assignment of such rights, as per pre-agreed transfer pricing norms.
- Sale of satellite rights and physical home entertainment products: Revenue is accounted on delivery to customers, as per contracted terms. Digital and other new media revenues

are recognized at the earlier of when the content is accessed or if licensed, the date the revenue is contracted or declared.

- Production fee: Revenue from production fee is recognized on the basis of services rendered at relevant stages of production of the film, in accordance with terms of agreement.

#### (b) Other income

- Dividend income is recognised when the right to receive dividend is established.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- On disposal of current investments, the difference between the carrying amount and the disposal proceeds is recognized in the Statement of Profit and Loss.

#### (c) Tangible assets and depreciation

- Tangible assets are stated at acquisition cost less accumulated depreciation and impairment losses, if any. Acquisition cost includes purchase cost (net of available credits) and all incidental expenses to bring the asset to their present location and condition. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increase the future benefits from the existing asset beyond its previously assessed standard of performance.

# Summary of Significant Accounting Policies

## and other explanatory notes to the consolidated financial statements

- Based on internal assessment, the management believes that the useful lives for tangible assets prescribed under Schedule II of the Companies Act 2013 ('the Act'), best represent the period over which the Management expects to use these assets. Accordingly, depreciation is provided under written down value method in the manner prescribed under Schedule II to the Act.
- Depreciation upto financial year 2013-14 has been provided at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 for the Company and its domestic subsidiaries.

### (d) Intangible assets and amortisation

- Investment in film and associated rights are recorded at their acquisition costs less accumulated amortisation and impairment losses, if any. Cost includes acquisition and production cost, direct overhead cost, capitalized foreign currency exchange differences and borrowing costs. When ready for exploitation, advances granted to secure rights are transferred to film rights. These rights are amortised 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, or the remaining life of the content rights, whichever is less. Amortization of film rights is presented under 'purchases/ operating expenses'.

In the case of film content that is acquired after its initial exploitation, commonly referred to as catalogue rights, amortization is spread evenly over the lower of ten years or the license period. Management's estimate is based upon factors such as historical performance of similar films, the star power of the lead actors and actresses and once released actual results of each film.

The 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.

- Other intangible assets are carried at acquisition costs less accumulated amortization, which is charged under written down value method in

the manner and over the useful lives prescribed under Schedule II of the Act. Upto financial year 2013-14, amortisation has been provided at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 for the Company and its domestic subsidiaries.

- Films under production are stated at acquisition and production cost plus relevant overhead cost and capitalized interest, net of any amounts received from third party investors.

### (e) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

### (f) Content advances

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

### (g) Investments

- Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.
- Current investments are carried at lower of cost and fair value determined on an individual investment basis.
- Long-term investments are carried at cost. However, provision for diminution in the value of investments, if any, is made to recognize a decline, other than temporary in nature.

### (h) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is computed as follows:

# Summary of Significant Accounting Policies

## and other explanatory notes to the consolidated financial statements

- » Raw prints and tapes on purchase cost at a moving weighted average basis.
  - » Home entertainment products, at actual cost, including replication cost.
- (i) **Impairment of assets**  
Assessment is done at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.
- (j) **Provisions and contingencies**
- » Provisions are recognized when there is present legal or constructive obligation as a result of a past event and it is more likely than not that an outflow of resources will be required to settle the obligation. Provisions are measured at the management's best estimate of the outflow required to settle the obligations at the Balance Sheet date.
  - » The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow is remote. Contingent liabilities are disclosed when:
    - » there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
    - » a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.
- (k) **Employee benefits**
- » Retirement benefit plans, pension schemes or defined contribution plans or funds are governed by the statutes of the countries in which subsidiaries are located. Contributions to the fund, future liability on actuarial valuation or liability on termination are charged to the Statement of Profit and Loss.
  - » Provisions for compensated absences are recognized in accordance with the rules of the respective companies.
  - » **Stock based compensation**  
Stock options granted by the parent company are accounted using intrinsic value method as prescribed by the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed option and credit to deferred employee compensation expense equal to the unamortised portion of lapsed option.
- (l) **Leases**  
The Group has evaluated all existing leases as 'Operating leases'. Aggregate of lease rentals payable under non-cancellable operating lease arrangements (over the initial and subsequent periods of lease) are charged to the Statement of Profit and Loss on a straight-line basis over the non-cancellable period of the lease.
- (m) **Foreign currency transactions**  
Transactions in foreign currencies are accounted at exchange rates prevalent on the date of the

# Summary of Significant Accounting Policies

## and other explanatory notes to the consolidated financial statements

transaction. Foreign currency monetary assets and liabilities at the period end are translated using the exchange rates prevailing at the end of the period. All exchange differences are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are recorded using the exchange rates that existed when the values were determined.

All foreign subsidiaries have been classified as non-integral foreign operations. Accordingly, assets and liabilities, both monetary and non-monetary, are translated at the closing rate; income and expense items are translated at average exchange rates prevailing during the year and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operation.

The Company has adopted the option to amortize exchange differences pertaining to long term foreign currency monetary items up to 31 March 2020 as stated in Accounting Standard 11.

The reporting currency of the parent company is Indian Rupee (₹).

### (n) Taxes on income

Income tax expense comprises current income tax and deferred tax.

#### » Current taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income tax Act, 1961, and rules made there under, and recorded at the end of each reporting period based on the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax is calculated and provided in accordance with the local tax regulations of individual companies.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

#### » Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences

attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

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 Alternative Tax ('MAT')

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. MAT credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the respective individual entity 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 respective individual entity will pay normal income tax during the specified period.

### (o) Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average

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number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

### (p) Cash and cash equivalents

Cash and cash equivalents include cash on 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. Cash credits are shown within borrowings in current liabilities on the Balance sheet.

₹ in lacs

	As at 31 March 2015		As at 31 March 2014	
	Number	Amounts	Number	Amounts
<b>3 SHARE CAPITAL</b>				
<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	92,507,274	9,250	91,973,190	9,197
<b>Total</b>	<b>92,507,274</b>	<b>9,250</b>	<b>91,973,190</b>	<b>9,197</b>
<b>a) Reconciliation of paid up share capital (Equity Shares)</b>				
Balance at the beginning of the year	91,973,190	9,197	91,921,340	9,192
Add: Shares issued during the year	534,084	53	51,850	5
Balance at the end of the year	<b>92,507,274</b>	<b>9,250</b>	<b>91,973,190</b>	<b>9,197</b>

During the year, the Company has issued total 534,084 shares (2014: 51,850) 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 lacs

	As at 31 March 2015		As at 31 March 2014	
	Number	Amounts	Number	Amounts
Equity shares of ₹ 10 each				
Eros Worldwide FZ LLC - the holding Company	47,126,290	4,713	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 2015		As at 31 March 2014	
	Number	% holding in the class	Number	% holding in the class
Equity shares of ₹ 10 each				
Eros Worldwide FZ LLC - the Holding Company	47,126,290	50.94	47,126,290	51.24
Eros Digital Private Limited - fellow subsidiary	21,700,000	23.46	21,700,000	23.59

### 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 1,100,274 shares (2014-566,190 shares) on exercise of options granted under the employees stock option plan (ESOP) wherein part consideration was received in the form of employee services.

### e) 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.

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₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>4 RESERVES AND SURPLUS</b>		
<b>Securities premium</b>		
Balance at the beginning of the year	30,995	30,909
Add : Additions for ESOP exercised during the year	763	46
Add : Transfer from share option outstanding account	103	40
Balance at the end of the year	<b>31,861</b>	<b>30,995</b>
<b>Share options outstanding account</b>		
Balance at the beginning of the year	584	389
Less: Transfer to securities premium account	(103)	(40)
Add: Employee stock option compensation expense	469	235
Balance at the end of the year	<b>950</b>	<b>584</b>
<b>Capital reserve</b>	<b>56</b>	<b>56</b>
<b>General reserve</b>		
Balance at the beginning of the year	586	586
Less: Impact of Depreciation on transition to Schedule II	(78)	-
Balance at the end of the year	<b>508</b>	<b>586</b>
<b>Surplus in the Statement of profit and loss</b>		
Balance at the beginning of the year	76,383	56,377
Add: Net profit after tax for the year	24,706	19,969
Add: Excess provision for dividend distribution tax reversed	-	37
Balance at the end of the year	<b>101,089</b>	<b>76,383</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	3,061	1,140
Add : Addition during the year	1,446	1,921
Balance at the end of the year	<b>4,507</b>	<b>3,061</b>
<b>Total</b>	<b>138,971</b>	<b>111,665</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>5 LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Term loans from banks*	16,091	14,728
Car loans #	87	7
	<b>16,178</b>	<b>14,735</b>
Less : Current maturities disclosed under other current liabilities (refer note 10)	(6,645)	(5,003)
<b>Total</b>	<b>9,533</b>	<b>9,732</b>

\*Term loans from banks carry an interest rate between 13% - 16% 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 property 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

Loans are repayable in monthly/ quarterly instalments over a period of 2 - 5 years.

# Car loans are secured by hypothecation of vehicles acquired there against, carrying rate of interest of 10%-10.50% Loans are repayable in monthly/ quarterly instalments over a period of 3 years.

Note : There is no default, continuing or otherwise as at the balance sheet date, in repayment of any of the above loans.

# Summary of Significant Accounting Policies

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₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>6 DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred tax liability on</b>		
Depreciation of tangible assets	396	187
Amortisation of intangible assets	26,026	21,295
<b>Total</b>	<b>26,422</b>	<b>21,482</b>
<b>Deferred tax asset on</b>		
Provision for expenses allowed on payment basis	652	603
Others	72	360
<b>Total</b>	<b>724</b>	<b>963</b>
<b>Deferred tax liabilities (net)</b>	<b>25,698</b>	<b>20,519</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>7 OTHER LONG-TERM LIABILITIES</b>		
Trade payables	98	180
Security deposits received	3	36
<b>Total</b>	<b>101</b>	<b>216</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>8 LONG-TERM PROVISIONS</b>		
Provision for gratuity	221	150
<b>Total</b>	<b>221</b>	<b>150</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>9 SHORT-TERM BORROWINGS</b>		
<b>Repayable on demand</b>		
Secured from banks	16,548	14,510
Unsecured from others	16,000	13,711
Loans and advances from related parties (unsecured)	395	367
Loans and advances from others	25	-
<b>Total</b>	<b>32,968</b>	<b>28,588</b>

Secured short term borrowings include: Cash credit, secured by way of hypothecation of stock and receivables relating to domestic rights operations along with pari passu charge on current assets. Bills discounted, secured by document of title to goods and accepted hundies with pari passu charge on current assets. Packing credit, secured by hypothecation of films and film rights with pari passu charge on current assets.

Short term borrowings are further secured by:

- Equitable mortgage of Company's immovable property 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 and rights for a film under production

Note : There is no default, continuing or otherwise as at the balance sheet date, in repayment of any of the above loans



# Summary of Significant Accounting Policies

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₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>10 OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term borrowings (refer note 5)	6,645	5,003
Interest accrued but not due on borrowings	203	70
Unclaimed dividend	1	1
Advance from customers		
- Related parties	72,421	16
- others	1,385	5,529
Book overdraft	8	6
Duties and taxes payable	2,062	1,860
Other payables	1,600	968
<b>Total</b>	<b>84,325</b>	<b>13,453</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>11 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits	264	191
Provision for tax (net of advance tax and TDS)	1,627	2,404
<b>Total</b>	<b>1,891</b>	<b>2,595</b>

₹ in lacs

	Buildings	Furniture and fixtures	Motor Vehicles	Office equipment	Data processing equipment	Studio equipment	Total
<b>12 TANGIBLE ASSETS</b>							
<b>Gross block</b>							
<b>Balance as at 1 April 2013</b>	<b>4,108</b>	<b>633</b>	<b>547</b>	<b>189</b>	<b>466</b>	<b>1,621</b>	<b>7,564</b>
Additions	-	-	-	11	17	-	28
Adjustments/ disposals	-	(1)	(44)	(4)	(6)	(3)	(58)
Foreign currency translation difference	-	2	-	13	1	-	16
<b>Balance as at 31 March 2014</b>	<b>4,108</b>	<b>634</b>	<b>503</b>	<b>209</b>	<b>478</b>	<b>1,618</b>	<b>7,550</b>
Additions	-	4	139	20	171	15	349
Adjustments/ disposals	-	-	(146)	(2)	-	(2)	(150)
Foreign currency translation difference	-	(1)	-	(6)	(8)	-	(15)
<b>Balance as at 31 March 2015</b>	<b>4,108</b>	<b>637</b>	<b>496</b>	<b>221</b>	<b>641</b>	<b>1,631</b>	<b>7,734</b>
<b>Accumulated depreciation</b>							
<b>Balance as at 1 April 2013</b>	<b>438</b>	<b>294</b>	<b>379</b>	<b>128</b>	<b>297</b>	<b>1,065</b>	<b>2,601</b>
Depreciation charge	183	62	42	10	70	111	478
Adjustments/ disposals	-	-	(36)	(1)	(4)	(3)	(44)
Foreign currency translation difference	-	1	-	13	1	-	15
<b>Balance as at 31 March 2014</b>	<b>621</b>	<b>357</b>	<b>385</b>	<b>150</b>	<b>364</b>	<b>1,173</b>	<b>3,050</b>
Depreciation charge	170	119	71	30	105	132	627
Adjustments/ disposals	-	6	(133)	19	10	33	(65)
Foreign currency translation difference	-	(1)	-	(6)	(1)	-	(8)
<b>Balance as at 31 March 2015</b>	<b>791</b>	<b>481</b>	<b>323</b>	<b>193</b>	<b>478</b>	<b>1,338</b>	<b>3,604</b>
<b>Net block</b>							
Balance as at 31 March 2014	3,487	277	118	59	114	445	4,500
<b>Balance as at 31 March 2015</b>	<b>3,317</b>	<b>156</b>	<b>173</b>	<b>28</b>	<b>163</b>	<b>293</b>	<b>4,130</b>



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### Note:

During the year, the Company has revised the estimates of useful lives of fixed assets as prescribed in Schedule II of the Companies Act, 2013. Consequent to the above, profit before tax of the year is lower by and depreciation is higher by ₹ 198 lacs. Retained earnings as at 1 April 2014 is lower by ₹ 78 lacs (refer note 4)

₹ in lacs

	Film Rights	Website development	Total	Content advances
<b>13 INTANGIBLE ASSETS</b>				
<b>Gross block</b>				
<b>Balance as at 1 April 2013</b>	257,769	239	258,008	43,864
Additions	69,346	-	69,346	104,701
Adjustments	-	-	-	(90,576)
Amounts written off	-	-	-	(100)
Foreign currency translation difference	8,931	19	8,950	-
<b>Balance as at 31 March 2014</b>	<b>336,046</b>	<b>258</b>	<b>336,304</b>	<b>57,889</b>
Additions*	66,902	-	66,902	154,044
Adjustments	-	-	-	(110,445)
Amounts written off	-	-	-	(2,082)
Foreign currency translation difference	703	-	703	-
<b>Balance as at 31 March 2015</b>	<b>403,651</b>	<b>258</b>	<b>403,909</b>	<b>99,406</b>
<b>Accumulated amortisation</b>				
<b>Balance as at 1 April 2013</b>	183,625	119	183,744	
Amortisation charge	46,004	24	46,028	
Adjustments	-	-	-	
Foreign currency translation difference	6,931	18	6,949	
<b>Balance as at 31 March 2014</b>	<b>236,560</b>	<b>161</b>	<b>236,721</b>	
Amortisation charge	49,756	62	49,818	
Foreign currency translation difference	86	-	86	
<b>Balance as at 31 March 2015</b>	<b>286,402</b>	<b>223</b>	<b>286,626</b>	
<b>Net block</b>				
Balance as at 31 March 2014	99,486	97	99,583	57,889
<b>Balance as at 31 March 2015</b>	<b>117,249</b>	<b>34</b>	<b>117,283</b>	<b>99,406</b>

\*The Group has adopted the option to amortize exchange differences pertaining to long term foreign currency monetary items up to 31 March 2020 given under paragraph 46 of Accounting Standard 11. Of the total balance of ₹ 128 lacs as at 1 April 2014, net foreign exchange aggregating to ₹ 40 lacs has been capitalized to the Intangible assets during the year, of which the Group has charged an amount of ₹ 24 lacs to

# Summary of Significant Accounting Policies

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the Statement of Profit and Loss as per its amortization policy.

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>14 NON CURRENT INVESTMENTS</b>		
<b>Non- trade (valued at cost)</b>		
<b>Equity shares In fellow subsidiary company (unquoted)</b>		
<b>Eros Digital Private Limited *</b>		
20 (Previous Year 20) equity shares of ₹ 10 each, fully paid-up	0	0
<b>Equity shares In other body corporated (unquoted)</b>		
<b>Triple Com Media Private Limited</b>		
200,000 (Previous Year 200,000) equity shares of ₹ 10 each, fully paid-up	800	800
Less: Provision for diminution in the value of investment	(800)	-
* Amount represent less than ₹ one lac.		
<b>Total</b>	<b>-</b>	<b>800</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>15 LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Security deposits		
- Related parties	704	30
- Others	137	-
MAT credit recoverable	8,881	7,016
Advance payment of taxes	602	545
Balances with statutory authorities	2,032	854
Amounts due from related parties	57	310
<b>Other loans and advances</b>		
Considered good	1,392	1,432
Considered doubtful	-	65
Less: Provisions for doubtful advances	-	(65)
	1,392	1,432
<b>Total</b>	<b>13,805</b>	<b>10,187</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>16 OTHER NON CURRENT ASSETS</b>		
Deposits with maturity more than twelve months (refer note 19)	382	550
Advance for film co production	-	4,524
<b>Total</b>	<b>382</b>	<b>5,074</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>17 INVENTORIES</b>		
Films under production	-	175
Film rights	13,488	-
VCD/ DVD/ Audio CDs	203	226
<b>Total</b>	<b>13,691</b>	<b>401</b>

# Summary of Significant Accounting Policies

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₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>18 TRADE RECEIVABLES</b>		
<b>Outstanding for a period exceeding six months from the date due for payment</b>		
Unsecured, considered good	7,382	5,238
Unsecured, considered doubtful	66	42
	7,448	5,280
Less : Provision for doubtful receivables	66	42
	<b>7,382</b>	<b>5,238</b>
<b>Other debts</b>		
Unsecured, considered good		
Dues from related parties	9,524	9,410
Dues from others	35,668	5,879
<b>Total</b>	<b>52,574</b>	<b>20,527</b>

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>19 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
a. Cash on hand	32	17
b. Cheques on hand	667	12,498
c. Balances with banks		
i) On current accounts	2,392	1,959
ii) On deposit accounts with original maturity of less than three months	356	1
	<b>3,447</b>	<b>14,475</b>
<b>Other bank balances</b>		
i) Unpaid dividend account	1	1
ii) Bank deposits with:		
maturity less than twelve months	12,428	178
iii) Margin money accounts with *		
maturity less than twelve months	1,092	782
maturity more than twelve months	382	550
	<b>13,903</b>	<b>1,511</b>
Less : disclosed under other non current assets (refer note 16)	(382)	(550)
<b>Total</b>	<b>16,968</b>	<b>15,436</b>

\* Margin money accounts represent deposits lien marked against borrowings

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>20 SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Security deposits*	-	100
Amounts due from related parties	96	15
Loans and advances to employees	284	312
Other loans and advances		
Considered good	4,210	3,991
<b>Total</b>	<b>4,590</b>	<b>4,418</b>

\* Amount represent less than ₹ one lac.

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₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>21 OTHER CURRENT ASSETS</b>		
Prepaid expenses	786	234
Unbilled revenue	699	191
Accrued interest	144	103
<b>Total</b>	<b>1,629</b>	<b>528</b>

## 22 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>a) Contingent liabilities</b>		
<b>(i) Claims against the Company not acknowledged as debt</b>		
Sales tax claims disputed by the Company	1,813	72
Service tax on non-theatrical sales (refer note 1)	19,470	-
Income tax liability that may arise in respect of matters in appeal	318	53
Bills of exchange with recourse, accepted but not due	-	5,799
Maharashtra Value added tax and Central sales tax on theatrical sales	-	1,365
<b>(ii) Guarantees</b>		
Guarantee given in favor of various government authorities	86	86
Guarantees given on behalf of others	-	2,500
<b>Total</b>	<b>21,687</b>	<b>9,875</b>

### Note:

- 1) 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.
- 2) During the year ended March 2015, the Company and a subsidiary received a notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 19,470 lacs 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.

On 19 March 2015, the Company filed its objections against the said notice before the service tax 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 consolidated financial statements.

- 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.

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## b) Commitments

	As at 31 March 2015	As at 31 March 2014
Estimated amount of contracts remaining to be executed on capital account	127,285	59,457
	<b>127,285</b>	<b>59,457</b>
<b>Total</b>	<b>148,972</b>	<b>69,332</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>23 REVENUE FROM OPERATIONS (NET)</b>		
Revenue from distribution and exhibition of film and other rights	141,666	110,460
Revenue from services	451	3,006
<b>Total</b>	<b>142,117</b>	<b>113,466</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>24 OTHER INCOME</b>		
Interest income	302	125
Gain on sale of current investments	-	3
Other non-operating income	1,355	370
Gain on foreign currency transactions and translation (net)	323	-
Gain on sale of fixed assets (net)	6	-
<b>Total</b>	<b>1,986</b>	<b>498</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>25 PURCHASES / OPERATING EXPENSES</b>		
Amortisation of film rights (refer note 13)	49,756	46,004
Film rights cost	43,543	21,330
Print and digital distribution cost	2,837	2,250
Selling and distribution expenses	10,252	5,499
Processing and other direct cost	536	1,031
Shipping, packing and forwarding expenses	220	298
Home entertainment products related cost	141	356
<b>Total</b>	<b>107,285</b>	<b>76,768</b>

# Summary of Significant Accounting Policies

and other explanatory notes to the consolidated financial statements

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>26 CHANGES IN INVENTORIES</b>		
<b>Opening stock</b>		
- Finished goods	226	323
- Films under production	175	635
	401	958
<b>Closing stock</b>		
- Finished goods	13,691	226
- Films under production	-	175
	13,691	401
<b>Total</b>	<b>(13,290)</b>	<b>557</b>

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>27 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and bonus	2,872	2,395
Contributions to provident fund and other funds	126	107
Gratuity expense	82	46
Employees stock option compensation	469	235
Staff welfare expenses	41	37
<b>Total</b>	<b>3,590</b>	<b>2,820</b>

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>28 FINANCE COSTS</b>		
Interest expense	5,456	4,855
Other borrowing costs	275	260
Interest on late payment of taxes	228	603
	<b>5,959</b>	<b>5,718</b>
Less: Interest capitalised to film rights	(1,982)	(1,938)
Less: Interest received	(137)	(506)
<b>Total</b>	<b>3,840</b>	<b>3,274</b>

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>29 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on tangible assets (refer note 12)	627	478
Amortisation on intangible assets (other than film rights) (refer note 13)	62	24
<b>Total</b>	<b>689</b>	<b>502</b>

# Summary of Significant Accounting Policies

and other explanatory notes to the consolidated financial statements

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>30 OTHER EXPENSES</b>		
Power and fuel	82	69
Rent	401	222
Repairs and maintenance	211	141
Insurance	24	69
Rates and taxes	39	75
Legal and professional	1,532	970
Payments to auditors (refer note 34)	70	59
Provision for doubtful receivables (refer note 18)	66	42
Provision for doubtful advances	-	269
Communication expenses	85	73
Travelling and conveyance	438	215
Content advances written off (refer note 13)	2,082	100
Advances and deposits written off	417	-
Loss on disposal of fixed assets	-	4
Provision for diminution in the value of investments	800	-
Trade receivables written off	2,317	626
Net loss on foreign currency transactions and translation	662	105
CSR expenditure	55	-
Miscellaneous expenses	393	307
<b>Total</b>	<b>9,674</b>	<b>3,346</b>

	Year ended 31 March 2015	Year ended 31 March 2014
<b>31 EARNINGS PER SHARE</b>		
<b>a) Computation of net profit for the year</b>		
Profit after tax attributable to equity shareholders (₹ in lacs)	24,706	19,969
<b>b) Computation of number of shares for Basic Earnings per share</b>		
Weighted average number of equity shares	92,277,558	91,932,420
<b>Total</b>	<b>92,277,558</b>	<b>91,932,420</b>
<b>c) Computation of number of shares for Diluted Earnings per share</b>		
Weighted average number of equity shares	93,498,797	92,323,976
<b>Total</b>	<b>93,498,797</b>	<b>92,323,976</b>
<b>d) Nominal value of shares</b>	10	10
<b>e) Computation</b>		
Basic (in ₹)	26.78	21.72
Diluted (in ₹)	26.43	21.63

# Summary of Significant Accounting Policies

and other explanatory notes to the consolidated financial statements

## 32 SEGMENT REPORTING

### a) Primary segment information

The Group is solely engaged in the business of film production and exploitation. The entire operations are governed by same set of risks and returns and hence, have been considered as representing a single primary segment

### b) Secondary segment information

The principle geographic areas in which the Group operates based on the location of customers are 'Within India' and 'Outside India'.

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>Revenue by geographical market</b>		
Outside India	76,798	44,338
Within India	67,305	69,626
	<b>144,103</b>	<b>113,964</b>
<b>Carrying value of segment assets</b>		
Outside India	115,435	58,698
Within India	201,945	153,084
	<b>317,380</b>	<b>211,782</b>

Note: Segment assets exclude income tax assets

## 33 RELATED PARTY DISCLOSURES

### a) Names of related parties

Relationship	Name
Ultimate holding company	Eros International PLC, Isle of Man
Holding company	Eros Worldwide FZ-LLC, Dubai
Fellow subsidiary companies	Eros Digital Private Limited
	Eros International Limited, United Kingdom
	Eros Music Publishing Limited, United Kingdom
Key management personnel (KMP)	Mr. Sunil Lulla – Executive Vice Chairman and Managing Director
	Mr. Kishore Lulla – Executive Director
	Ms. Jyoti Deshpande – Executive Director
	Mr. Vijay Ahuja – Non Executive Director (w.e.f. 13 February 2015)
	Mr. Kamal Jain - Group Chief Financial Officer (India) (upto 30 November 2014)
	Mr. Dinesh Modi - Group Chief Financial Officer (India) (w.e.f. 11 November 2014)
	Ms. Dimple Mehta - Company Secretary and Compliance Officer
Relatives of KMP with whom transactions exist	Mrs. Manjula K Lulla (wife of Mr. Kishore Lulla)
	Mrs. Krishika Lulla (wife of Mr. Sunil Lulla)
Entities over which KMP exercise significant influence	Shivam Enterprises



# Summary of Significant Accounting Policies

and other explanatory notes to the consolidated financial statements

## b) Transactions with related parties

	₹ in lacs	
	Year ended 31 March 2015	Year ended 31 March 2014
<b>Sale of film rights</b>		
Eros Worldwide FZ LLC	44,382	29,099
Eros International Limited	8	23
<b>Total</b>	<b>44,390</b>	<b>29,122</b>
<b>Sale of prints/VCD/DVD</b>		
Eros Worldwide FZ LLC	69	696
<b>Total</b>	<b>69</b>	<b>696</b>
<b>Purchase of film rights</b>		
Eros Worldwide FZ LLC	4,715	2,875
Eros International Limited	5,205	7,716
Eros Music Publishing Limited	-	3
<b>Total</b>	<b>9,920</b>	<b>10,594</b>
<b>Re-imbursement of administrative expense</b>		
Eros Worldwide FZ LLC	1,669	320
Eros International Limited	-	724
<b>Total</b>	<b>1,669</b>	<b>1,044</b>
<b>Rent paid</b>		
Mr. Sunil Lulla	96	36
Mr. Kishore Lulla	60	-
Mrs. Manjula K Lulla	36	36
<b>Total</b>	<b>192</b>	<b>72</b>
<b>Interest paid</b>		
Eros Digital Private Limited	40	35
<b>Total</b>	<b>40</b>	<b>35</b>
<b>Salary, commission and perquisites* to KMPs and relatives of KMPs</b>	<b>854</b>	<b>876</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 ₹ 112 lacs (Previous year ₹ 215 lacs) charged to Statement of Profit and loss on account of stock compensation for awards granted.

# Summary of Significant Accounting Policies

and other explanatory notes to the consolidated financial statements

## b) Transactions with related parties (Continued)

	Year ended 31 March 2015	Year ended 31 March 2014
₹ in lacs		
<b>Content advances</b>		
Eros International Limited	-	255
<b>Total</b>	-	<b>255</b>
<b>Recovery of advances</b>		
Eros International Limited	-	255
Ms. Jyoti Deshpande	-	49
Mrs. Manjulla Lulla	-	6
<b>Total</b>	-	<b>310</b>
<b>Trade Advances received</b>		
Eros International Plc.	18,493	469
Eros Worldwide FZ LLC	108,249	3,004
Eros International Limited	21,136	5,276
Eros Digital Private Limited	-	335
<b>Total</b>	<b>147,878</b>	<b>9,084</b>
<b>Repayment of advances</b>		
Eros International Plc.	18,493	469
Eros Worldwide FZ LLC	39,139	3,945
Eros International Limited	24,164	677
<b>Total</b>	<b>81,796</b>	<b>5,091</b>
<b>Deposits Given</b>		
Mr. Sunil Lulla	240	-
Mr. Kishore Lulla	240	-
<b>Total</b>	<b>480</b>	<b>-</b>
<b>Refund of deposits</b>		
Mr. Sunil Lulla	29	23
<b>Total</b>	<b>29</b>	<b>23</b>

# Summary of Significant Accounting Policies

and other explanatory notes to the consolidated financial statements

## c) Balances with related parties

	Year ended 31 March 2015	Year ended 31 March 2014
₹ in lacs		
<b>Trade balances due from</b>		
Eros Worldwide FZ LLC	9,524	9,320
Eros International Limited	-	90
<b>Total</b>	<b>9,524</b>	<b>9,410</b>
<b>Trade balances due to</b>		
Eros Worldwide FZ LLC	13,792	13,698
Eros International Limited	2,371	10,666
Eros Music Publishing Limited	-	22
Eros Digital Private Limited	-	-
<b>Total</b>	<b>16,163</b>	<b>24,386</b>
<b>Trade advances due to</b>		
Eros Worldwide FZ LLC	72,419	-
Eros International Limited	2	94
Eros Digital Private Limited	395	367
<b>Total</b>	<b>72,816</b>	<b>461</b>
<b>Loans or advances due from</b>		
Eros International Limited	93	-
Shivam Enterprises	57	57
<b>Total</b>	<b>150</b>	<b>57</b>
<b>Amounts due from KMPs or their relatives</b>		
Sunil Lulla (security deposit paid)	389	179
Mr. Kishore Lulla	240	-
Mrs. Manjula Lulla	75	75
Mrs. Krishika Lulla	3	-
Mr. Kamal Jain	-	15
<b>Total</b>	<b>707</b>	<b>269</b>
<b>Amounts due to KMPs or their relatives</b>		
Mr. Sunil Lulla	30	21
Mr. Kishore Lulla	22	5
Ms. Jyoti Deshpande	5	5
Mrs. Krishika Lulla	-	11
Mrs. Manjula Lulla	45	13
Mrs. Meena Lulla	-	-
<b>Total</b>	<b>102</b>	<b>55</b>

# Summary of Significant Accounting Policies

and other explanatory notes to the consolidated financial statements

₹ in lacs

	Year ended 31 March 2015	Year ended 31 March 2014
<b>34 AUDITORS' REMUNERATION (ON ACCRUAL BASIS)</b>		
As auditor		
Statutory audit	45	36
Limited review	13	15
Tax audit	5	4
Review of consolidated accounts	-	-
	<b>63</b>	<b>55</b>
In other capacity		
Other services (certification fees)	4	3
	<b>4</b>	<b>3</b>
Reimbursement of expenses	3	1
<b>Total</b>	<b>70</b>	<b>59</b>

For **Walker Chandio & Co LLP**  
(formerly known as Walker, Chandio & Co)  
**Chartered Accountants**

**Adi P. Sethna**  
Partner  
Membership No: 108840

Place : Mumbai  
Date : 29 May 2015

For and on behalf of Board of directors

**Sunil Lulla**  
Executive Vice Chairman  
and Managing Director

**Dinesh Modi**  
Group Chief Financial  
Officer (India)  
Place : Mumbai  
Date : 29 May 2015

**Jyoti Deshpande**  
Executive Director

**Dimple Mehta**  
Company Secretary  
and Compliance Officer

# Notice

**Registered office:** 201, Kailash Plaza, Plot no. A-12, Opp. Laxmi Industrial Estate, Link Road, Andheri West, Mumbai 400 053  
 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 Twenty First Annual General Meeting of the Members of Eros International Media Limited will be held on Thursday, the 3<sup>rd</sup> day of September, 2015 at 3:00 p.m. at 'The Club', D N Nagar, Andheri West, Mumbai 400 053, to transact the following business:

## ORDINARY BUSINESS:

### 1. To receive, consider and adopt:

- a. the audited financial statements of the Company for the financial year ended 31 March, 2015, together with the Report of the Directors' and Auditors thereon.
- b. the audited consolidated financial statements of the Company for the financial year ended 31 March, 2015, together with the Report of the Auditors thereon.

### 2. To appoint a Director in place of Ms. Jyoti Deshpande (DIN 02303283), who retires by rotation and being eligible, offers herself for re-appointment

### 3. To ratify the appointment of Statutory Auditors 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 Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s. Walker Chandniok & Co LLP, Chartered Accountants, (Firm Registration No.001076N/N500013), as the Statutory Auditors of the Company, who were appointed by the members at their Annual General meeting held on 25 September, 2014 to hold the office of Auditors upto the 3<sup>rd</sup> consecutive meeting from the year 2014, be and is hereby ratified to hold the office of auditors from the conclusion of this meeting to the next annual general meeting of the Company on a remuneration as may be decided by the Board."

## SPECIAL BUSINESS:

### 4. Appointment of Mr. Rakesh Sood (DIN 07170411) 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 read with Schedule IV of the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Rakesh Sood (DIN 07170411), 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 Companies Act 2013, 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 till the conclusion of Annual General Meeting of the Company to be held in the calendar year 2020."

### 5. Re-appointment of Mr. Sunil Lulla (DIN 00243191) as an Executive Vice Chairman and Managing Director of the Company and payment of remuneration

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Sunil Lulla as an Executive-Vice Chairman & Managing Director (DIN 00243191) for a period of five (5) years with effect from 28 September, 2015 to discharge functions, duties, responsibilities, delegated by the Board of Directors from time to time, and such other acts as may be required as per applicable Laws, Acts, Regulations, on such terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with the liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committees constituted by the board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and mutually

agreed with Mr. Sunil Lulla, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof."

**"RESOLVED FURTHER THAT** Mr. Sunil Lulla shall not be liable to retire by rotation."

**"RESOLVED FURTHER THAT** in the event of there being any loss or inadequacy of profits for any financial year, the aforesaid remuneration payable to Mr. Sunil Lulla, Executive Vice Chairman and Managing Director, shall be the minimum remuneration payable to him in terms of the provisions of Schedule V of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this resolution."

**6. Payment of remuneration to Ms. Jyoti Deshpande (DIN02303283) on her re-appointment as Executive Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded for re-appointment of Ms. Jyoti Deshpande (DIN 02303283) as an Executive Director of the Company for a period of five (5) years commencing from 1 October, 2015 till 30 September, 2020 on such terms and conditions including remuneration & commission as set out in the Statement annexed to the Notice convening this Meeting, with the liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committees constituted by the board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and mutually agreed with Ms. Jyoti Deshpande subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

**"RESOLVED FURTHER THAT** in the event of there being any loss or inadequacy of profits for any financial

year, the aforesaid remuneration payable to Ms. Jyoti Deshpande, as the Executive Director of the Company, shall be the minimum remuneration payable to her in terms of the provisions of Schedule V of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** the Board or a Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this resolution."

**7. Articles of Association**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 5 read with Section 14 and all other applicable provisions of Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the draft regulations contained in the Articles of the Association as placed before this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to sign and execute such papers, documents, deeds and instrument and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient by them for the purpose of giving effect to this resolution relating to adoption of a new set of Articles of Association by the Company."

**8. Commission to Non Executive Directors**

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 Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Non – Executive Directors of the Company (i.e. Directors other than the Managing Director and/or the Whole Time Director and Executive Directors) be paid remuneration by way of commission, in addition to the sitting fees for attending meetings of the Board of Directors and/or Committees thereof, as the Board

of Directors may determine from time to time, not exceeding in aggregate one percent (1%) of net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment(s) thereof."

**"RESOLVED FURTHER THAT** consent of the Members be and is hereby given for maintenance of office of the Chairman of the Company, being Non Executive in nature and reimbursement of all the expenses incurred by the Chairman towards performance of his duties as such, upto such limits as may be decided by the Board of Directors from time to time."

**"RESOLVED FURTHER THAT** the Board of Directors, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

## 9. Material Related Party Transaction

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 Clause 49 and any other applicable clause(s) of the Listing Agreement executed with the Stock Exchanges (including any amendment(s), modification(s) or re-enactment(s) thereof), and Section 188 and any other applicable provisions of the Companies Act, 2013 and applicable rules thereto, 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 Worldwide FZ LLC (EWW), holding company and a Related Party under Section 2(76) of the Companies Act, 2013 and Clause 49 (VII) (B)(2) of the Listing Agreement; for exploitation of Indian Film Rights and Indian Non Film Music Publish Rights of the Company outside India, for an estimated amount of ₹ 600 crores in each financial year on such terms and

conditions as stated in the Relationship Agreement dated 16 December 2009, entered into by the Company, Eros International Plc, ultimate parent company and Eros Worldwide FZ LLC, holding company, as approved and renewed 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 EWW for exploitation of rights outside India within the maximum aforesaid limits and in accordance with the Relationship Agreement."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to alter/vary the terms and conditions as stated in the Relationship Agreement entered by the Company with Eros International Plc, ultimate parent company and Eros Worldwide FZ LLC, holding company, 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 this Resolution."

By Order of the Board of Directors  
For **Eros International Media Limited**

Place : Mumbai  
Date : 29 May, 2015

**Dimple Mehta**  
Company Secretary &  
Compliance Officer

## NOTES

1. 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 proxy and such person shall not act as a proxy for any other person or shareholder.
2. The instrument appointing the proxy (as per the format provided hereinafter), in order to be effective, should be duly stamped, completed and signed and deposited at the Corporate Office of the Company not less than 48 hours before the commencement of the meeting.
3. MEMBER/PROXY SHOULD BRING THE ATTENDANCE SLIP SENT HERewith, DULY FILLED IN, FOR ATTENDING THE MEETING.
4. Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
5. 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 21 August, 2015 till Friday, 28 August, 2015 (both days inclusive).
7. 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 / Registrars and Transfer Agent, M/s. Link Intime India Private Limited.
8. 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 & Transfer Agent.
9. 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 & Transfer Agent.
10. Relevant documents referred to in this Notice and the statement pursuant to Section 102 of the Companies Act, 2013 shall be open for inspection at the Corporate Office of the Company during business hours on all days except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.
11. Every Member entitled to vote at the Annual General Meeting 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 hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. 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.
12. 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.
13. 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 Company Secretary / Link Intime India Private Limited, 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 25 September, 2014 (date of the last Annual General Meeting) on the website of the Company [www.erosintl.com](http://www.erosintl.com), and also on the website of the Ministry of Corporate Affairs.
14. Members are requested to bring their Attendance Slip alongwith copy of the Report and Accounts to the Annual General Meeting.
15. Members, who wish to obtain any information on the Company or view the accounts for the Financial Year ended 31 March, 2015 may visit the Company's website [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 Annual General Meeting.

16. In terms of the applicable provisions of the new Companies Act, 2013 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.

Although 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) or [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-13 Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078.
17. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of this Notice.
  18. Electronic copy of the Notice convening the 21<sup>st</sup> Annual General meeting 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 email addresses, physical copies of the Notice convening the 21<sup>st</sup> Annual General meeting of the Company, the Annual Report alongwith the process of

e-voting and the Attendance Slip, Proxy Form and Ballot Paper are being sent in the permitted mode.

19. Members may also note that the Notice convening the 21<sup>st</sup> Annual General Meeting and the Annual Report 2015 will also be available on the Company's website [www.erosintl.com](http://www.erosintl.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)

## 20. Voting

- a. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its Members the facility to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting by electronic means. Members may cast their votes by way of remote voting (voting by way of using an electronic voting system from a place other than the venue of the Meeting). The e-Voting Services are provided by Central Depository Services (India) Limited (CDSL).
- b. The facility for voting, through ballot paper, shall be made available at the AGM and the Members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

## 21. General Instructions

- a. The e-voting period commences on Monday, 31 August, 2015 (9.00 a.m. IST) and ends on Wednesday, 2 September, 2015 (5.00 p.m.). During this period, Members of the Company holding shares either in physical form or in dematerialised form, as on the cut off date i.e. Friday, 28 August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.
- b. 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. Friday, 28 August, 2015, may obtain the login ID and password by sending a request at [helpdesk@evotingindia.com](mailto:helpdesk@evotingindia.com). However, if a member is already registered with CDSL for e-voting, then he/she can use existing user id and password/PIN for casting the vote.

- c. 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.
- d. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date (record date) of Friday, 28 August, 2015.
- e. Mr. Haresh Jani, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- f. 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.
- g. 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, not later than two (2) days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of voting forthwith.
- h. The Results alongwith the Scrutinizers Report shall be placed on the Company's website [www.erosintl.com](http://www.erosintl.com) and on the website of CDSL immediately after the results are declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to the BSE Limited and National Stock Exchange of India Limited.

#### Notes and instructions for E-voting

- i. Members to log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii. Click on Shareholders.

iii. 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.

iv. Next enter the Image Verification as displayed and Click on Login.

v. 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.

vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Ballot Paper / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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.
	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 (iii).

vii. After entering these details appropriately, click on "SUBMIT" tab.

viii. 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.

- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for EROS International Media Limited on which you choose to vote.
- xi. 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.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. 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.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUFs, NRIs 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, 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 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.

In case a Member receives physical copy of the Notice of AGM ( for members whose email Ids are not registered with the Company / Depository Participant(s) and want to do e-Voting then Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

The remote e-voting period begins on Monday, 31 August 2015 (9.00 a.m. IST) to Wednesday, 2 September 2015 (5.00 p.m. IST). During this period, Shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 28 August 2015 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-voting user manual for Shareholders 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 [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or contact Central Depository Services (India) Limited (CDSL) at 17th Floor, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001 **Helpdesk:** 18002005533 or on Tel: +91 22 22723333 (**Helpdesk Timings** Monday - Friday : 10:00 AM to 6:15 PM Saturday : 10:00 AM to 2:00 PM)

#### 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 need not use all the votes nor needs to cast all the votes in the same way.
- 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-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai 400 078, fill in the details and send the same to the Scrutinizer.

Compound, L. B. S. Marg, Bhandup (W), Mumbai 400 078 on or before the close of working hours (5.00 p.m) on Wednesday, 2 September, 2015. No other request/ details furnished in the Self Addressed envelope will be entertained.

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 also 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.

vii. The Ballot Papers received after close of working hours (5.00 p.m), Wednesday, 2 September, 2015 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**

vi. You are requested to carefully read the instructions printed on the Ballot Paper and return the Form (no other Form or photocopy is permitted) duly completed, in the enclosed self-addressed postage prepaid envelope, so as to reach the Scrutinizer at C-13, Pannalal Silk Mills

Place : Mumbai  
Date : 29 May, 2015

**Dimple Mehta**  
Company Secretary &  
Compliance Officer

CIN: L99999MH1994PLC080502

#### EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 9 of the accompanying Notice:

##### Item No. 4:

The Board of Directors of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013, had appointed Mr. Rakesh Sood (DIN 07170411) as an Additional Director w.e.f. 1 May, 2015.

In terms of the provisions of the above Section, Mr. Rakesh Sood holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Rakesh Sood for the office of Director of the Company.

Mr. Rakesh Sood is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a declaration from Mr. Rakesh Sood that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In opinion of the Board, Mr. Rakesh Sood fulfils all conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Rakesh Sood is independent of the management and possesses appropriate skills, experience and knowledge, inter alia, in the field of finance.

Brief profile of Mr. Rakesh Sood alongwith other details as stipulated in the Listing Agreement are stated at length below:

Name	Mr. Rakesh Sood
DIN	07170411
Designation	Independent Director
Date of Birth	05 February, 1953
Date of Appointment	01 May, 2015 (as Additional Director)
Qualifications	Post Graduate studies in Physics and in Economics & Defence
Profile	Ambassador Rakesh Sood is a Post Graduate in Physics and additionally in Economics and Defence studies. He has over 36 years of experience in the field of foreign affairs, economic diplomacy and international security issues.

Before joining the Indian Foreign Service in 1976, Ambassador Sood worked for a couple of years in the private sector. Ambassador Sood initially served in the Indian missions at Brussels, Dakar, Geneva and Islamabad in different capacities and as

Deputy Chief of Mission in Washington, later in his career. He set up the Disarmament and International Security Affairs Division in the Foreign Ministry, which he led for eight years till the end of 2000.

During this period, Ambassador Sood was in charge for multilateral disarmament negotiations, bilateral dialogues with Pakistan, strategic dialogues with other countries including US, UK, France and Israel (especially after the nuclear tests in 1998), and dealt with India's role in the ASEAN Regional Forum, as part of the 'look East' policy.

He then served as India's first Ambassador – Permanent Representative to the Conference on Disarmament at the United Nations in Geneva. He also chaired a number of international Working Groups including those relating to negotiations on landmines and cluster munitions and was a member of UN Secretary General's Disarmament Advisory Board (2002-03).

Subsequently, he was India's Ambassador to Afghanistan from 2005 to early 2008, Ambassador to Nepal from 2008 to 2011 and to France from 2011 to March 2013.

In September 2013, Ambassador Sood was appointed Special Envoy of the Prime Minister for Disarmament and Non-Proliferation Issues; a position he held till May 2014.

Since his retirement he has been writing and commentating regularly in both print and audio visual media on India's foreign policy, its economic dimensions and regional & international security issues. He is a frequent speaker/contributor at various policy planning groups and reputed think-tanks in India and overseas.

Directorships held in other companies	Nil
Memberships/Chairmanships of Committees of other companies	Nil
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. Rakesh Sood be appointed as Independent Director of the Company for first term of five (5) years.

Except for Mr. Rakesh Sood who is interested in the resolution set out in Item no. 4 of the Notice pertaining to his appointment as Independent Director, none of the Directors or Key Managerial personnels (KMP) or their relatives are concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

#### Item No. 5:

The Board of Directors of the Company at its meeting held on 29 May, 2015 has, subject to the approval of the members, re-appointed Mr. Sunil Lulla, as an Executive Vice Chairman & Managing Director of the Company (DIN 00243191) for another period of five (5) years from expiry of his present term viz. 27 September, 2015 till 26 September, 2020 on terms including remuneration as recommended and approved by the Nomination and Remuneration Committee.

Brief Profile of Mr. Sunil Lulla alongwith other details as stipulated in the Listing Agreement are stated at length below:

Name	Mr. Sunil Lulla
DIN	00243191
Designation	Executive Vice Chairman & Managing Director
Date of Birth	29 June, 1964
Date of Appointment	19 August, 1994
Qualifications	Bachelor of Commerce, University of Mumbai

Name	<b>Mr. Sunil Lulla</b>
Profile	<p>Mr. Sunil Lulla, a commerce graduate from University of Mumbai, has over 20 years of experience in the field of Media &amp; Entertainment Industry. He is associated with EROS Group since formation of the Company, being the first Member to subscribe to the Memorandum &amp; Articles of Association of the Company. During his stint as the Managing Director, he has contributed his mite to develop and expand the business of the Company in India. Under his leadership, the Company continued to achieve various milestones. He has been instrumental in developing and expanding EROS Group in India and also establishing the Company's existence in Distribution and Home entertainment &amp; music sector, in India.</p> <p>Mr. Sunil Lulla shares valuable relationships with the talents across the Indian Film Industry.</p> <p>On 28 September, 2009, Mr. Sunil Lulla was appointed as Executive Vice Chairman &amp; Managing Director of the Company.</p>
Directorships held in other companies	<ul style="list-style-type: none"> <li>➤ Eros International Films Private Limited</li> <li>➤ Eros Digital Private Limited</li> <li>➤ Big Screen Entertainment Private Limited</li> <li>➤ Ayngaran International Media Private Limited</li> <li>➤ Eros Television India Private Limited</li> <li>➤ Eyeqube Studios Private Limited</li> <li>➤ EM Publishing Private Limited</li> <li>➤ Eros Animation Private Limited</li> <li>➤ Eros Energy Private Limited</li> <li>➤ Colour Yellow Productions Private Limited</li> <li>➤ Eros International USA INC</li> <li>➤ Ayngaran International Limited</li> <li>➤ Eros International PLC (IOM)</li> </ul>
Memberships/Chairmanships of Committees of other companies	<ul style="list-style-type: none"> <li>➤ Member of Audit Committee of Eros International Films Private Ltd</li> </ul>
Number of shares held in the Company	1,400 shares
Number of Stock Options	Nil

It is proposed to seek approval of the members for re-appointment of Mr. Sunil Lulla as Executive Vice Chairman & Managing Director of the Company on the following terms including remuneration and commission, which are in accordance with applicable provisions of the Companies Act, 2013 and applicable rules thereto:

- i. Salary:- Salary of ₹ 30,00,000 (Rupees Thirty Lacs only) per month. (With an Annual increment of 10% on salary, payable at the commencement of each Financial Year).
- ii. Commission:- Commission upto 1% of net profits of the Company as calculated under Section 198 and such other applicable provisions, if any, of the Companies Act, 2013, as may be determined by the Board of Directors from time to time.
- iii. Company's contribution to the Provident Fund and

Super Annuation Fund and payment of Gratuity shall be as per the rules of the Company.

- iv. Benefits, Perquisites and Allowances:
  - a. Travelling Allowance: The Company shall bear all travelling expenses, including boarding and lodging, as per the rules of the Company during domestic and overseas business trips.
  - b. Accommodation Allowance: Rent-free furnished accommodation owned, leased or rented by the Company and reimbursement of Utility expenses at accommodation such as electricity, gas, water, payments to servants, etc.
  - c. Medical Allowance: All expenses on medical including hospitalisation, diagnostic checks, periodic health checks incurred by Director and his family, will be borne by the Company at actual cost.

- d. Club fees: Fees of Clubs subject to maximum of two clubs. This will include admission and life membership fees.
  - e. All expenses relating to telephone at residence, mobile bills, PDA Charges and all other expenses incurred for the purpose of business of the Company shall be reimbursed by the Company at actual cost.
  - f. Other benefits/Expenses as per the Company's policy, from time to time.
- v. Mr. Sunil Lulla has entered into an Agreement dated 1 October 2012 with the Company to lease out his property at Aumkar Bungalow, Gandhi Gram Road, Juhu, Mumbai - 400 049 for a monthly lease rental of ₹ 3 lacs plus Service Tax. Pursuant to the said Agreement, the Company has made a deposit of a sum of ₹ 149 lacs as on 31 March, 2015 as interest free refundable security. For due observance of terms and conditions of the Agreement. The copy of the agreement is available for inspection.
- vi. Mr. Sunil Lulla has entered into an Agreement dated 31 December 2014 with the Company (as co-owner) to lease out his property at 5th Floor, Supreme Chambers, Andheri (West), Mumbai 400 053 for a monthly lease rental of ₹ 20 lacs plus Service Tax. Pursuant to the said Agreement, the Company has made a deposit of a sum of ₹ 240 lacs as on 31 March, 2015 as interest free refundable security. For due observance of terms and conditions of the Agreement. The copy of the agreement is available for inspection.

Mr. Sunil Lulla satisfies all the conditions set out in Part I of Schedule V to the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. He shall not be liable to retire by rotation.

In the event of there being any loss or inadequacy of profits for any financial year, the aforesaid remuneration payable to Mr. Sunil Lulla, shall be the minimum remuneration payable to him in terms of the provisions of Schedule V of the Companies Act, 2013.

Mr. Sunil Lulla is interested in the resolution set out in Item no. 5 of the Notice pertaining to his re-appointment and remuneration payable to him to the extent of the benefits and remuneration that he will get by virtue of his proposed re-appointment.

Relatives of Mr. Sunil Lulla may be deemed to be interested in the resolution set out at Item no. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Except for Mr. Kishore Lulla, being brother of Mr. Sunil Lulla and Mr. Vijay Ahuja, being co-brother of Mr. Sunil Lulla, none of the other Directors, Key Managerial Personnels or their relatives are concerned or interested in Item No. 5 above.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

#### Item No. 6:

The Board of Directors of the Company at its meeting held on 29 May, 2015 has, subject to the approval of members, re-appointed Ms. Jyoti Deshpande (DIN 02303283), as Executive Director of the Company for another period of five (5) years from expiry of her present term viz. 1 October, 2015 till 30 September, 2020 on terms including remuneration as recommended and approved by the Nomination and Remuneration Committee.

Brief profile of Ms. Jyoti Deshpande alongwith other details as stipulated in the Listing Agreement are stated at length below:

Name	Ms. Jyoti Deshpande
DIN	02303283
Designation	Executive Director
Date of Birth	16 December, 1970
Date of Appointment	01 July, 2012
Qualifications	Bachelors degree in Commerce and Economics, University of Mumbai
Profile	Ms. Jyoti Deshpande, holds a Bachelors degree in Commerce and Economics from University of Mumbai and holds her Masters degree in Business Administration from University of Mumbai.
	She has vast experience of over 22 years in the Media and Entertainment Industry. After initial kick off in India with J Walter Thompson, she moved to United Kingdom for her association as Senior Consultant with MindShare, UK. Being a part of the core team that founded B4U Television Network in UK in 1998-99, she was successful in spreading its footprints across the world within a short span of two years.



Name	Ms. Jyoti Deshpande
	In 2001, she joined Eros International Group and played an instrumental role for listing of Eros International PLC on AIM, London Stock Exchange. In 2010, she successfully led Eros International Media Limited's listing on BSE and National Stock Exchange of India and in 2013, she spearheaded the listing of Eros International PLC on New York Stock Exchange. She is a Group Chief Executive Officer and Managing Director of Eros International PLC and part of the leadership team driving strategy as well as operations for the Group. Her experience has been valuable for our Company's growth and expansion within India, she has been appointed as an Executive Director to lead the Indian Group.
Directorships held in other companies	<ul style="list-style-type: none"> <li>➤ Mini Major Studios Private Limited</li> <li>➤ Eros International Plc (Isle of Man)</li> <li>➤ Mini Major Studios Pte Limited (Singapore)</li> </ul>
Memberships/Chairmanships of Committees of other companies	Nil
Number of shares held in the Company	1,42,790 shares
Number of Stock Options	5,71,160 stock options

It is proposed to seek approval of members for re-appointment of Ms. Jyoti Deshpande, as Executive Director of the Company, on the following terms including remuneration and commission, which are in accordance with applicable provisions of the Companies Act, 2013 and applicable rules thereto:

**Terms of Remuneration:-**

- i. Salary:- Salary of ₹ 8,00,000/- (Rupees Eight Lakhs only) per month. (With an Annual increment of 10% on salary, payable at the commencement of each financial year).
- ii. Commission:- Commission upto 1% of net profits of the Company as calculated under Section 198 and such other applicable provisions, if any, of the Companies Act, 2013, as may be determined by the Board of Directors from time to time.
- iii. Company's contribution to the Provident Fund and Super Annuation Fund and payment of Gratuity shall be as per rules of the Company.
- iv. Benefits, Perquisites and allowances.
  - a. Travelling Allowance: The Company shall bear all travelling expenses, including boarding and lodging, as per the rules of the Company during domestic and overseas business trips.
  - b. Accommodation Allowance: Rent-free furnished accommodation owned, leased or rented by the Company and reimbursement of Utility expenses

at accommodation such as electricity, gas, water, payments to servants, etc.

- c. Medical Allowance: All expenses on medical including hospitalisation, diagnostic checks, periodic health checks incurred by Director and his family, will be borne by the Company at actual cost.
- d. Club fees: Fees of Clubs subject to maximum of two clubs. This will include admission and life membership fees.
- e. All expenses relating to telephone at residence, mobile bills, PDA Charges and all other expenses incurred for the purpose of business of the Company shall be reimbursed by the Company at actual cost.
- f. Other benefits/Expenses as per the Company's policy, from time to time.

Ms. Jyoti Deshpande satisfies all the conditions as set out in Part I of Schedule V to the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the event of there being any loss or inadequacy of profits for any financial year, the aforesaid remuneration payable to Ms. Jyoti Deshpande, shall be the minimum remuneration payable to her in terms of the provisions of Schedule V of the Companies Act, 2013.



Ms. Jyoti Deshpande is interested in the resolution set out in Item No. 6 of the Notice pertaining to her re-appointment as Executive Director and remuneration payable to her to the extent of the benefits and remuneration that she will get by virtue of her proposed re-appointment.

Relatives of Ms. Jyoti Deshpande may be deemed to be interested in the resolution set out at Item no. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Except for Ms. Jyoti Deshpande who is interested in the resolution set out in Item no. 6 of the Notice, none of the other Directors, Key Managerial Personnels or their relatives are concerned or interested in Item No. 6 above.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

#### **Item No. 7:**

With Companies Act, 2013 and rules thereto, several regulations of the existing AoA of the Company required alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table "F" of Schedule I of the Companies Act, 2013 which sets out the model Articles of Association for a company limited by shares.

In terms of Section 14 of the Companies Act, 2013, the consent of Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company. The proposed new draft Articles of Association is being uploaded on the Company's website for perusal by the shareholders and shall also be made available for inspection by the members.

None of the Directors, Key Managerial Personnels of Company and their relatives are in any way, deemed to be concerned or interested financially or otherwise in the Special resolution as set out at Item No. 7 of the Notice.

The Board commends the Special Resolution as set out at Item No. 7 of the Notice for approval by the shareholders.

#### **Item No. 8:**

The shareholders of the Company at their meeting held on 27 May, 2010 had approved the payment of remuneration by way of commission to Non Executive Directors, in addition to the Sitting Fees for attending the meeting of Board and Committees thereof, for a period of five years starting from 1 April, 2010.

Your Board of Directors have proposed to remunerate the Directors by payment of commission not exceeding one (1) % of net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act.

Further, the Company has adopted a non mandatory clause of the Listing Agreement regarding maintenance of Chairman's office. All the expenses incurred by the Chairman, being Non Executive Director towards performance of his duties as such, are reimbursed by the Company.

The said remuneration to non-executive directors shall be in addition to the sitting fees for attending meetings of the Board and Committees thereof.

Except for all the non-executive directors of the Company and their relatives, to the extent of their shareholding interest, if any, and to the extent of commission they receive from the Company, none of the other Directors, Key Managerial Personnels of Company and their relatives are in any way, deemed to be concerned or interested financially or otherwise in the Special resolution as set out at Item No. 8 of the Notice.

The Board commends the Special Resolution as set out at Item No. 8 of the Notice for approval by the Shareholders.

#### **Item No. 9:**

Pursuant to Clause 49 of the Listing Agreement and Section 188 and other applicable sections of the Companies Act, 2013 and applicable rules thereto, all material transactions with related party requires approval of the Shareholders of the Company through Special Resolution and the related parties shall abstain from voting on such resolutions.

The Company's transactions with its holding company viz. Eros Worldwide (EWW) FZ LLC, Dubai 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 percent of the annual consolidated turnover of the Company. EWW 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 Worldwide FZ LLC, Dubai
- (b) **Nature of Relationship:** Holding Company
- (c) **Name of the Director or Key Managerial Personnel who is related, if any:** Mr. Vijay Ahuja – being director in both the companies

- (d) **Nature, material terms, monetary value and particulars of the contract or arrangement:** The Board of Directors of the Company at their meeting held on 13 February, 2014 had renewed the Relationship Agreement dated 16 December, 2009 entered by the Company with Eros Worldwide FZ LLC and Eros International Plc for assigning the Indian Film Rights and Indian Non Film Music Publish Rights (together termed as "Rights") acquired by the Company by engaging in production/co-production/acquisition of Films in India; to EWW with mark up as per transfer pricing study report for exploitation of the Rights outside India. The detailed terms and conditions as stated in the Relationship Agreement is available for inspection by the members.

The transactions with Eros Worldwide 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:** Nil

The proposed RPTs are in accordance with the Related Party Transactions policy of the Company and approved and recommended by the Audit Committee and by the Board of Directors of the Company.

As per clause 49(VII)(E) of the Listing agreement, 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, all related parties of the Company, including, among others, Eros Worldwide FZ LLC, Eros Group Companies (to the extent of their shareholding interest in the Company), Mr. Vijay Ahuja, Mr. Kishore Lulla, Ms. Jyoti Deshpande & Mr. Sunil Lulla and their relatives will not vote on this resolution.

Except for the directors as stated above, no other Directors and Key Managerial Personnel of the Company is concerned or interested in the said resolution set out at Item No. 9 of the Notice.

The Board commends the Special Resolution as set out at Item No. 9 of the Notice for approval by the shareholders.

By Order of the Board of Directors  
For **Eros International Media Limited**

Place : Mumbai  
Date : 29 May, 2015

**Dimple Mehta**  
Company Secretary &  
Compliance Officer

**Registered Office:**

201, Kailash Plaza, Plot No. A-12,  
Opp. Laxmi Industrial Estate,  
Link Road, Andheri West,  
Mumbai 400 053

**Corporate Office:**

901/902, Supreme Chambers, Off.  
Veera Desai Road, Andheri West,  
Mumbai 400 053 Tel: +91 22 66021500  
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-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup (W),  
Mumbai 400 078 Tel: +91 22 25946970  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## NOTES

[illegible]

## NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



CIN: L99999MH1994PLC080502

Registered Office Address: 201, Kailash Plaza, Plot No.A-12, Opp. Laxmi Industrial Estate, Link Road, Andheri (West),

Mumbai-400 053 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)*

21<sup>st</sup> Annual General Meeting on Thursday, 3rd September, 2015 at 3.00 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 No. 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, Plot no. A-12, Opp. Laxmi Industrial Estate, Link Road, Andheri West, Mumbai – 400 053

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 21<sup>st</sup> Annual General Meeting of the Company, to be held on Thursday, 3rd September, 2015 at 3.00 p.m. at The Club', D N Nagar, Andheri West, Mumbai 400 053 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:





Resolutions	Optional	
	For	Against
1. To receive, consider and adopt (a) audited financial statements of the Company for the year ended 31 March, 2015 together with Directors Report and Auditors Report thereon & (b) audited consolidated financial statements for the year ended 31 March, 2015 together with the auditors report thereon.		
2. Appointment of a Director, in place of Ms. Jyoti Deshpande (DIN 02303283) who retires by rotation and being eligible, seeks re-appointment.		
3. Appointment of M/s Walker Chandok & Co LLP, Chartered Accountant, Mumbai (Registration No. - 001076N/ N500013) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.		
4. Appointment of Mr. Rakesh Sood (DIN - 07170411), as an Independent Director not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from the date of this 21st Annual General Meeting.		
5. Re-appointment of Mr. Sunil Lulla (DIN 00243191) as an Executive Vice Chairman & Managing Director for a period of five years & payment of remuneration.		
6. Payment of remuneration to Ms. Jyoti Deshpande (DIN02303283) on her re-appointment as Executive Director		
7. Adoption of new set of Articles of Association in substitution and in place of the existing Articles of Association of the Company.		
8. Approval for payment of Commission to Non Executive Directors (Other than the Managing Director and/ or Whole time Director)		
9. Approval of Material Related Party Transaction(s) between the Company and Eros Worldwide FZ LLC, Dubai, Holding Company.		

Affix  
15 paise  
Revenue  
Stamp

Signed this ..... day of ..... 2015

Signature of shareholder

.....  
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 Registered 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.**
- A person can act as a proxy on behalf of members not exceeding fifty 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.
- \*\*This is optional.** Please put a 'X' 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.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.



# Corporate Information

## BOARD OF DIRECTORS

### Mr. Naresh Chandra

Non Executive Chairman & Independent Director

### Mr. Sunil Lulla

Executive Vice Chairman & Managing Director

### Mr. Kishore Lulla

Executive Director

### Mr. Dharendra Swarup

Independent Director

### Mr. Rakesh Sood

Additional (Non Executive Independent Director)  
w.e.f. May 1, 2015

### Ms. Jyoti Deshpande

Executive Director

### Mr. Vijay Ahuja

Non Executive Non Independent Director

## GROUP CHIEF FINANCIAL OFFICER (INDIA)

### Mr. Dinesh Modi

w.e.f. November 25, 2014

## COMPANY SECRETARY & COMPLIANCE OFFICER

### Ms. Dimple Mehta

## STATUTORY AUDITORS

### M/s. Walker Chandiok & Co LLP

Chartered Accountants

## CIN

L99999MH1994PLC080502

## REGISTERED OFFICE

201, Kailash Plaza  
Plot No. A-12, Opp. Laxmi Industrial  
Estate Link Road, Andheri West  
Mumbai – 400 053

## BANKERS

Indian Overseas Bank (Lead Banker)

Bank of Baroda

Dena Bank

Union Bank of India

Punjab National Bank

Oriental Bank of Commerce

## CORPORATE OFFICE

901/902, Supreme Chambers

Off. Veera Desai Road, Andheri West

Mumbai – 400 053

Tel: 91 22 66021500

Fax: 91 22 66021540

Email: [compliance.officer@erosint.com](mailto:compliance.officer@erosint.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-13, Pannalal Silk Mills Compound

L. B. S. Marg, Bhandup (W)

Mumbai – 400 078

Tel: 91 22 2594 6970

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)



#### REGISTERED OFFICE

Eros International Media Limited  
CIN: L99999MH1994PLC080502  
201, Kailash Plaza, Plot No. A-12, Opposite Laxmi Industrial Estate,  
Link Road, Andheri (W), Mumbai - 400 053.  
Tel: + (91 22) 66021500 Fax: + (91 22) 66021540





August 10, 2015

To,  
The DCS – CRD  
BSE Limited  
Pheeroze Jeejeebhoy Towers,  
Mumbai 400 001

Dear Sir,



Sub: Submission of Annual Report

**Ref : BSE Scrip Code: 533261**

With reference to Clause 31 of the Listing Agreement, please find enclosed herewith 6 copies of the Annual Report of the Company for the year 2014-15, including Notice (forming part of Annual Report) convening the 21<sup>st</sup> Annual General Meeting of the Company.

Form A, as required under the aforesaid clause, for Unqualified Annual Audit Report is stated below:


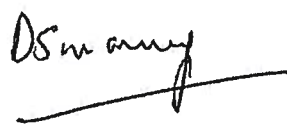
**Form A**

1	Name of the Company	Eros International Media Limited
2	Annual Financial statements for the year ended	31 March 2015
3	Type of Audit observation	Unqualified
4	Frequency of observation	Not Applicable
5	To be signed by- <ul style="list-style-type: none"><li>• Managing Director</li><li>• CFO</li></ul>	 

**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 • 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



	<ul style="list-style-type: none"><li>Auditors of the Company</li></ul>	
	<ul style="list-style-type: none"><li>Audit Committee Chairman</li></ul>	

Further it may kindly be noted that the copy of Annual Report for the year 2014-15 can be downloaded from our website [www.erosintl.com](http://www.erosintl.com) .

Also, the soft copy of the Annual Report is mailed to [corp.compliance@bseindia.com](mailto:corp.compliance@bseindia.com).

You are requested to kindly take note of the above.

Thanking You

Yours faithfully,

For Eros International Media Limited



Dimple Mehta

Company Secretary & 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