



October 3, 2017

The DCS – CRD  
BSE Limited  
Pheeroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai 400 001

The Listing Manager  
National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No – C Block, G Block,  
Bandra Kurla Complex,  
Mumbai 400 051

Dear Sir,

**Sub: Submission of Annual Report**

**Ref: BSE Script Code: 533261; NSE Script Code: EROSMEDIA**

Pursuant to regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, we are submitting herewith the Annual Report of the Company as per the provisions of the Companies Act 2013, for the year 2016-17, including Notice (forming part of Annual Report) as required. The said the Annual Report was approved and adopted by members of the Company at their 23<sup>rd</sup> Annual General Meeting held on September 28, 2017.

Further, it may kindly be noted that the copy of Annual Report for the year 2016-17 can be downloaded from our website [www.erosintl.com](http://www.erosintl.com).

You are requested to kindly take note of the above.

Thanking you

Yours Faithfully,

**For Eros International Media Limited**

**Dimple Mehta**

**VP- Company Secretary & Compliance Officer**



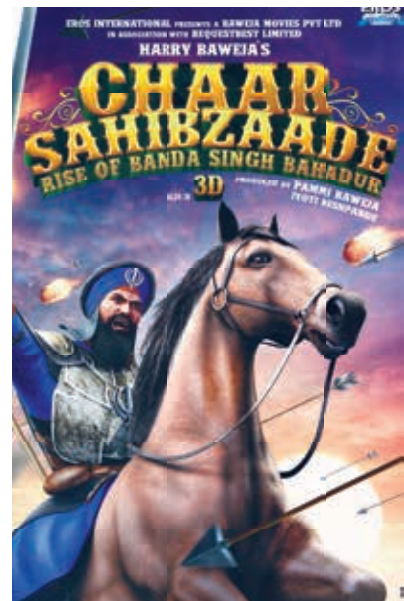
**Encl: as above**

**EROS INTERNATIONAL MEDIA LIMITED**

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Regd. Office: Kailash Plaza, 2<sup>nd</sup> Floor, Plot No. 12, Off Veera Desai Road, Andheri (W), Mumbai - 400 053.  
CIN No. L99999MH1994PLC080502



# PASSION FOR PERFORMANCE



**ON 9 JULY, 2017,  
OUR CHAIRMAN  
AND NON-  
EXECUTIVE  
INDEPENDENT  
DIRECTOR OF  
THE COMPANY,  
MR. NARESH  
CHANDRA,  
LEFT FOR HIS  
HEAVENLY ABODE.**



## **TRIBUTE TO NARESH CHANDRA**

**Remembering Mr. Naresh Chandra, our  
Chairman and Non-Executive Director**

A civil servant par excellence and a visionary leader, he rose to become the Cabinet Secretary in 1990, the highest position in the Indian Civil Service. In 1992, he was appointed Senior Advisor to the Prime Minister of India. He was the Governor of the state of Gujarat in 1995-1996 and India's Ambassador to the United States of America during 1996- 2001. He also chaired the Committee on Corporate Audit and Governance, the Committee on Private Companies and Limited Liability Partnerships and the Committee on Civil Aviation Policy, for the Government of India. He was honoured with the Padma Vibhushan, a high civilian award by the President of India in 2007.

Mr. Chandra was associated with the Company as Chairman since September 2009 and was also a member/chairman of various committees of the Board. The Company has immensely benefited from his guidance and support during his tenure. The Board of Directors and employees of Eros International Group deeply mourn this irreparable loss.

## CORPORATE OVERVIEW

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**44 FILMS  
RELEASED  
IN 2016-17**

**170 + NEW  
RELEASES IN THE  
LAST 3 FISCAL  
YEARS**

**CONTENT LIBRARY  
OF 2000+ FILMS  
AND MUSIC**

**PLATFORM  
AGNOSTIC  
APPROACH  
TO CONTENT  
MONETISATION**

## HIGHLIGHTS FY2017

Revenues  
**₹ 14,453 MILLION**

EBIT  
**₹ 3,768 MILLION**

PAT  
**₹ 2,575 MILLION**

Diluted EPS  
**₹ 27.0**





**Passion for  
Performance**

To cultivate differentiated  
and engaging content  
and entertain billions  
around the world.

**AT EROS,  
WE NURTURE  
AND CELEBRATE  
OUR PASSION.**

To run our business  
profitably and  
sustainably.

To integrate our societal  
role as a part of our  
business responsibility.



Business Development Team  
(L to R) Sujata Thapa,  
Kumar Ahuja (President - Business  
Development), Sabina Kriplani



Marketing Team  
(L to R) Namrata Khedkar, Suraj Rao,  
Perna Singh (CMO), Juhi Bhatt



It is the collective energy and excitement of our people to make our brand shine brighter with its universal appeal.

During the year, our passion translated into encouraging results and enhanced the value proposition for all stakeholders.

We extended reach via distribution in new markets, enriched our library and continued to focus on building our scale to produce and co-produce a wider slate of films across multiple languages.

Trinity Pictures, India's first franchise-driven studio, has five franchise

properties in various stages of development and production which will be monetised across film, merchandising and gaming amongst others, over the next couple of years.

We further focused our efforts towards investing in building our content library that can be monetised consistently.

We also continued to expand our digital reach by providing our content to our parent, Eros International Plc's OTT Platform, Eros Now to further expand global reach.

**Passion speaks many languages at EROS, and it determines the future course of our business.**

**Sundari Ramamurthy**  
**Senior Vice President, Operations**



Legal Team  
(L to R) Abhishek Kanoi,  
Aamod Gupte (Group General Counsel)



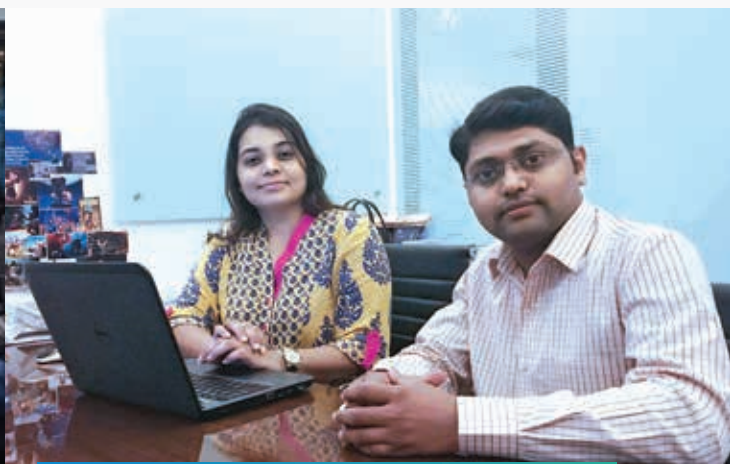
All India Theatrical Distribution Team  
(L to R) Emanuel Battise, Rajesh Bhatia,  
Nandu Ahuja (SVP - India Theatrical),  
Sachin Pawar, Kiran Sakpal,  
Vijay Tandalekar



# PASSION CREATES POSSIBILITIES



Music and YouTube Team  
(L to R) Arpit Vijay, Niel Goel, Amit Sharma (Head - Music & Telecom Relationships), Bindiya Gaonkar



Corporate Strategy Team  
(L to R) Kinjal Palan (Chief Corporate Strategy Officer), Hardik Padaria

## Key Competitive Strengths

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



Established, worldwide, multi-channel distribution network with exciting opportunities in China, Turkey and Russia



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



For nearly four decades, we have translated our passion into a force of creative energy. The result is content that excites, engages and endears a huge audience cross-section.

We are a leading global enterprise in the Indian film entertainment industry who have acquired, co-produced and distributed some of the most successful Indian films across formats.

With an extensive and growing movie library comprising 2,000+ films, across genres, budgets and languages, our business model has evolved on the back of a refined content mix with clutter-breaking releases.

Given the strength of our distribution capability, we have released a higher number of Indian language films nationally and internationally than any other film studio for many successive years.



Public Relations Team  
(L to R) Amita Naidu (Head - PR),  
Samarpita Samadar, Rahul Dubey

**LISTING CODES**  
**BSE: 533261**  
**NSE: EROSMEDIA**  
**ISIN: INE416L01017**

**Ability to acquire content  
in multiple languages and  
monetise effectively**



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





## Major Releases in FY2017



**Ki & Ka**  
Hindi



**Housefull 3**  
Hindi



**Nil Battey Sannata**  
Hindi



**24**  
Tamil



**Phobia**  
Hindi



**& Jara Hatke**  
Marathi



**Dishoom**  
Hindi



**Sardaar Gabbar Singh**  
Telugu

## Operational Highlights

**44**  
FILMS RELEASED

**5**  
HIGH BUDGET

**10**  
MEDIUM BUDGET

**29**  
LOW BUDGET

Theatrical revenues include Hindi releases of Ki & Ka, Housefull 3, Nil Battey Sannata, Dishoom, Happy Bhaag Jayegi, Baar Baar Dekho, Banjo, Rock On 2, Kahaani 2 (overseas), and regional films include 24 (Tamil), Sardaar Gabbar Singh (Telugu), Janatha Garage (Telugu), C/O. Saira Banu (Malayalam), Baghtos Kay Mujra Kar (Marathi), Chaar Sahibzaade2 (Punjabi), Double Feluda (Bengali) among many others.

Trinity Pictures, India's first franchise-driven studio has developed more than twenty franchises across new and diverse genres. Of these twenty franchises, five are lined up for release in the next couple of years, including two Indo-China co-productions.





**Happy Bhag Jayegi**  
Hindi



**Baar Baar Dekho**  
Hindi



**Banjo**  
Hindi



**Rock On 2**  
Hindi



**Chaar Sahibzaade 2**  
Punjabi



**Kahaani 2**  
Overseas

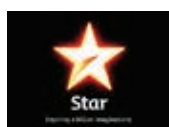


**Double Feluda**  
Bengali



**C/o Saira Banu**  
Malayalam

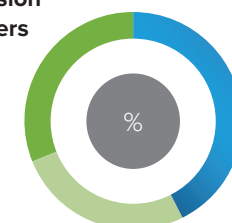
Pre-sales as a de-risking strategy served well in FY2017. Around 96% of the cost of the total film slate released in FY2017 was recovered through pre-sales across all revenue streams including theatrical, satellite and overseas.



Percentage of Income from Operations during FY2017

**Television & Others**  
31.1%

**Theatrical Revenues**  
42.5%



**Overseas Revenues**  
26.4%

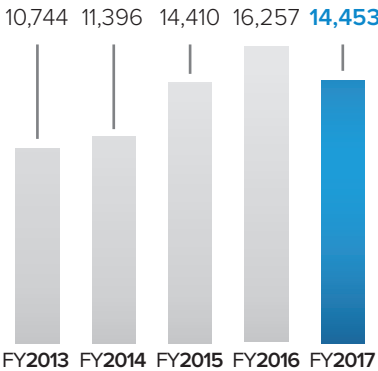


# Financial Highlights

PAT margin expanded to 17.8%, compared to 14.7% in FY2016, primarily due to higher contribution from catalogue revenues.



Revenue (₹ in million)



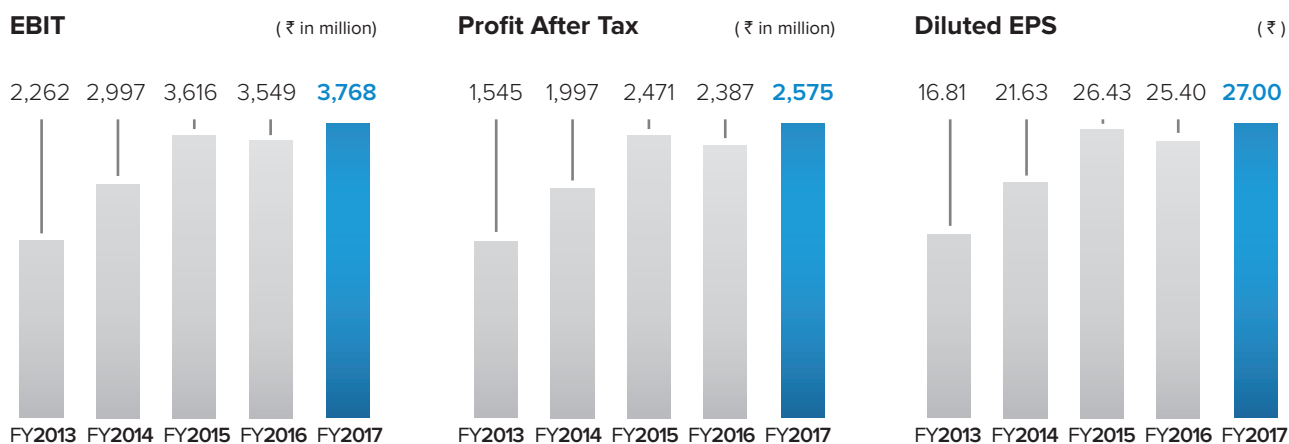
“For FY2017, the EBIT margin expanded to 26.1%, compared to 21.8% in FY2016.”

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

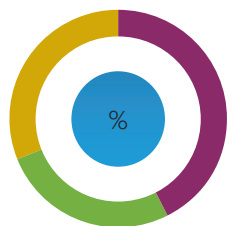
Finance and Secretarial Team  
Standing (L to R) Saloni Parekh, Jinal Shah, Mudrika Desai,  
Sumit Agarwal, Bhavin Mehta, Hemal Shah, Sanjay Bohra







#### Diversified Revenue Mix



**42.5%**

Theatrical  
Revenues

**31.1%**

Television  
& Others

**26.4%**

Overseas  
Revenues

Sitting (L to R) Surya Attal, Gaurav Bordia, Dimple Mehta (VP - Company Secretary & Compliance Officer), Anand Shankar, Dinesh Modi (Group CFO - India), Thakurdas Patidar, Hardik Suthar



## Executive Vice Chairman & Managing Director's Message



### Dear Shareholders,

I am delighted to write to you at the end of another satisfying and exciting year at Eros International. Despite a challenging external environment, FY2017 has been a year in which Eros progressed on its business momentum and strategic initiatives.

### Driven by passion

At Eros, we are driven by passion. Not just for entertaining people, but to make wonderful films and bring the best content to viewers in every corner of the world. This passion is evident in the way we run our business and the manner in which our people approach it. We are

proud to be a people-led organisation, where the collective excitement and energy of our entire team helps bring moments of happiness, joy and unique entertainment to more than a billion people around the world.

We are a company that enjoys a leadership position in markets that continue to be on a long-term growth trajectory. Over the last year, we made targeted investments in content, brands and markets that provide attractive growth opportunities. A glance at the span of our operations will reveal that consistent content innovation, and a robust business model underpin our financial resilience.

Our pursuit of creative and operational excellence is our key competitive advantage. FY2017 continued that tradition and the Company reported an encouraging performance, despite the temporary impact on revenue from theatrical releases in the second half of the year.

### Diversified thinking

This year audiences have been able to choose from a variety of releases. India's film industry has experienced diverse growth with the exploration of high concept, new genres and relatable stories. Regional content continued to make encouraging headway and engage growing audiences. With the gradual emergence of Tier II and Tier III cities on the multiplex map, the acceptance of niche movies accelerated vis-à-vis traditional commercial cinema.

A significant development during the year was the growing importance of 'Bharat', i.e. the rural India due to the implementation of the new TV audience measurement system BARC. This has created a surge in the demand for new film releases as well as our film library, as film content is an effective means for satellite channels to penetrate the rural markets.

As additional multiplex screens are added, theatrical revenues have a potential to grow significantly. In addition, the large-scale acceptance and successful theatrical release of our regional movies validates our increasing focus on language diversity in our content. At Eros, we are poised to take advantage of opportune upcoming trends and shifts in the market. As we expand into other regional languages such as Marathi, Bengali, Punjabi and Malayalam, we may see the composition of our film mix changing over time to allow us to successfully scale our business with a diversified portfolio of content.

## Encouraging performance

Theatrical revenues during FY2017 were driven by releases of *Ki & Ka*, *Housefull 3*, *Nil Battey Sannata*, *Dishoom*, *Happy Bhaag Jayegi*, *Baar Baar Dekho*, *Banjo*, *Rock On 2*, *Kahaani 2* (overseas), and regional films include *24* (Tamil), *Sardar Gabbar Singh* (Telugu), *Janatha Garage* (Telugu), *C/O. Saira Banu* (Malayalam), *Baghtos Kay Mujra Kar* (Marathi), *Chaar Sahibzaade 2* (Punjabi) and *Double Feluda* (Bengali), to name a few. We released 44 films, which included 5 high budget, 10 medium budget and 29 small budget films. The highlight of the year was a steady growth in our profit margins. EBIT margin expanded to 26.1%, compared to 21.8% in FY2016 and our PAT margin improved to 17.8%, compared to 14.7% in FY2016. This growth was majorly driven by higher contribution from catalogue revenues.

In FY2017, our strong regional library, active pre-sales and catalogue monetisation of 2000+ films' library continued to serve us well both from a performance and a risk management perspective. 96% of the cost of the total film slate released in FY2017 was recovered through pre-sales across all revenue streams, including theatrical, satellite and overseas, which reflects our disciplined approach to risk management. As a part of our long-standing relationships with the television industry, we signed television syndication deals with several major networks such as ZEE TV, Star TV, Colors and Sony TV.

## Leveraging our content strength

As India increasingly becomes the market of choice for global expansion for many International entertainment and digital companies, content will take centre stage. As the prices for film content rise, Eros' key asset – a market-leading film library – is a major beneficiary of this trend. Not only does our content experience theatrical release, it crosses borders and languages, engages a

nation across all screens; from theatrical to your handset.

We had been gearing up to leverage our industry knowledge and understanding to develop our own intellectual properties. Aside from further efficiency across the value chain, this will help to increase the revenue potential through Indo-China co-productions, or bi to tri-linguals i.e. films that are shot simultaneously in two or three India languages, but it will also help optimise content costs. The launch of Trinity Pictures, investments in our joint venture Colour Yellow Productions and leveraging our film library to launch sequels to successful films are concrete steps taken in this direction. We are excited about these developments and are looking forward to FY2018, which will see these plans come to fruition.

We have strong international distribution capabilities through our parent company, Eros International Plc's, which has a well-established, worldwide and multi-channel distribution network. The network extends over 50 countries across theatrical, television and digital formats to cater to the global film-loving South Asian diaspora as well as crossover audiences.

## Growing digitisation

Today, quality and diversified content has increasing appeal than perhaps any other time in the past. Our parent Eros International Plcs' OTT platform Eros Now is enabling the wider availability of content on demand and on the go. It is driving innovation in content creation, marketing and distribution through our strategic partnerships with telecom companies, OEMs and payment wallets.

Apple has featured the Eros Now App in its 'App Store Best of 2016', which is a testament of our achievement. We are pleased with Eros Now's progress and are excited about what the future unfolds. Eros Now has over 2.9 million paying

subscribers and with 68 million registered users we believe that this is just the tip of the iceberg.

## Leading the future

We are drawing upon our core strengths, as we continue to fulfil our aspiration to be The Company people turn to for the stories that shape and enrich their lives.

In FY2018, we continue to be focused on ramping up our own productions and co-productions through Trinity Pictures and Colour Yellow Production. We will also continue to expand our regional presence with 25+ releases across Tamil, Telugu, Malayalam, Bengali, Marathi, Kannada and Punjabi languages.

At the heart of Eros International's consistent performance is the ability to stay agile in the face of a rapidly changing ecosystem. The face of agility at Eros is our talented and driven team. Our people are paving the way towards achieving our long-term objectives.

We continue to upgrade the skills of our employees and bring on board fresh talent from diverse backgrounds to enhance our future readiness. It is their passion to bring clutter-breaking content to the market and distribute globally that helps us chart a market-leading success story.

I am confident that our passion to deliver engaging content with a robust business model will enable us to create value for all stakeholders in the years to come.

I seek your continued support and encouragement in this endeavour.

Warm Regards,  
**Sunil Lulla**  
Executive Vice Chairman &  
Managing Director



# PASSION CREATES INDUSTRY- LEADING CONTENT



**44** FILMS  
RELEASED

**33** FILMS IN  
REGIONAL  
LANGUAGES

## LEADING WITH SCALE



In FY2018, we plan to produce and co-produce a wide portfolio of films across multiple languages, and release the most diversified and robust slate by any Indian studio this year. Additionally, we intend to selectively acquire content to expand our library.

## DRIVING REGIONAL FOCUS



In FY2018, we will continue to expand our regional presence with releases across Tamil, Telugu, Malayalam, Marathi, Bengali, Kannada and Punjabi. We also intend to exploit re-make rights to some of our popular Hindi films into non-Hindi languages.

Content is king on the global film landscape. Worldwide audiences seek differentiated and engaging content that bring imagination and ingenuity to the fore.

The demand for 'what's trending across the world' coexists with audiences

growing preferences for content in different languages and genres of choice. At Eros, it has been our constant endeavour to cater to this evolving tastes of our consumers. Our core business philosophy is to create content in line with the aspirations of varied markets.

**“While Hindi films retain a broad appeal across India, the country’s linguistic diversity allows us to treat regional language films as distinct markets.”**

**Nandu Ahuja**  
Senior Vice President, India,  
Theatrical Eros

In FY2017, we released a total of 44 films, including 5 high budget, 10 medium budget and 29 low budget films across languages like Hindi, Tamil, Malayalam, Telugu, Marathi, Punjabi and Bengali.

Globally, the Indian film industry and its growing audiences has attracted significant interest and has, in turn, attracted a lot of international majors to enter India. We see this as an opportunity for growing revenues from our 2000+ library of existing content and the robust pipeline of new releases.

We look forward to FY2018, where many of our passions will come to fruition. Whether it be through Trinity Pictures' slate or Indo-Russian or Indo-China relationships.

Our recent association with Phars Films, one of UAE's largest distribution and exhibition network is another steps on this direction. We will co-produce Malayalam content along with exploration of theatrical rights between the two entities.

### Theatrical Distribution

We distribute our content across 14 'film territories' in India through our internal distribution offices (Mumbai, Delhi, East Punjab, Mysore, Kerala, West Bengal and Bihar) or through sub-distributors in remaining territories. The film territories where we have direct offices, comprise a market share of up to 75% of India's theatrical revenue. Our primary internal distribution network provides greater control, transparency and flexibility over core regions in which we distribute our films; and allows us to retain a higher portion of film revenues.

**The film territories where we have direct offices, comprise a market share of up to 75% of India's theatrical revenue.**

### Television Distribution

We believe that increasing television audiences in India creates opportunities for us to license our film content; and expand audience synergy for recognition of brand 'Eros' and entertainment. We license Indian film content (usually a combination of new releases and existing films in our library) to satellite television broadcasters operating in India under agreements that generally allow them to telecast a film a number of times over a stated period in exchange for a specified license fee.

We have, directly or indirectly, licensed content to major Indian television channels such as Colors, Sony, the Star Network and Zee TV. In addition, we do syndication to DTH providers, cable operators and Doordarshan, the Government-owned terrestrial network.

Television pre-sales in India are an important factor in enhancing revenue predictability for our business and are part of our strategy to promote stable cash-flow generation.

### Overseas Distribution

We distribute our films through the established, worldwide, multi-channel distribution network of our parent company, Eros International Plc. Outside India, we distribute our films theatrically through our offices in Dubai, Singapore, the United States, the United Kingdom, Australia and Fiji and through sub-distributors in other markets.

In addition to the core markets like the Middle – East, United States and United Kingdom which have a large South Asian diaspora there is a growing appeal for Indian films among non-Indian audiences.

The distribution network extends over 50 countries, including Germany, Poland, Russia, Romania, Indonesia, Malaysia, Taiwan, Japan, South Korea and China, to name a few. We release our Indian films across these geographies, which are subtitled or dubbed in local languages.

# PASSION DRIVES A DIVERSIFIED PORTFOLIO



Marketing Team

## 50

## COUNTRIES - OUR DISTRIBUTION NETWORK

### MONETISING LIBRARY



Our extensive film library provides us a reliable source of recurring cash flow after the theatrical release period for a film has ended. In addition, because our film library is large and diversified, we can effectively leverage it by licensing not just single films, but multiple films.

### GROWING WITH AGILE STEPS



Our strategy to monetise our film catalogue and bundling it along with fresh film content for television, cable, DTH and other platforms has helped us to realise high-margin catalogue revenues consistently. In FY2017, our EBIT margin expanded to 26.1%, PAT margin expanded to 17.8%, mainly due to higher contribution from catalogue revenues.



We understand the need for customised, tailor-made marketing communications to draw audiences and increase viewership. Our passion and perseverance add muscle to our marketing efforts.

We create campaigns, based on specific research insights for each film, tailored to a particular market, utilising print, brand



tie-ups, music pre-releases, television, print and outdoor advertising and social media marketing on multiple platforms.

We use TV promotions to expand our marketing reach and content appeal. We also work with our filmstars to co-ordinate promotional appearances on popular television programming, timed to coincide with the marketing period for upcoming theatrical releases.

In an increasingly digital native world, digital promotion of films has become crucial to connect with a younger, social

**Our marketing strength has been the critical driver of the success of our films at the box office.**

**Perna Singh,**  
**Chief Marketing Officer**

media savvy audience. The consumption patterns of this demographic is overly dependent on the internet and social media platforms. They are discerning, opinionated and reject straightforward plugs. Therefore, the team creates innovative digital content around the theme of the film – which engages, entertains and also promotes the film. This could be video content, memes or just a provocative Twitter hashtag. A key component of this content is share-ability - apart from social media traction, this also creates media visibility.

In addition, the celebrities and key influencers help in reaching out widely to the prospective audiences and create a top of the mind recall and desire to watch the film. We also have alliances with Facebook and Twitter to optimise the reach of our films. Digital promotion has become crucial to the extent that 15-18% of a film's total marketing budget is now purely towards digital spends and content creation. This is a relatively new phenomenon – a trend has happened in the last three years. In the coming years, this trend can only spiral upwards



**White**  
Malayalam



**Sardar Gabbar Singh**  
Telugu



**Monchora**  
Bengali

# PASSION SHARPENS CREATIVITY



## CREATING UNIQUE CONCEPTS



Two first-ever Indo-China co-productions are slated to be released in FY2019. Kabir Khan's travel drama *The Zookeeper* (working title) and Siddharth Anand's cross-cultural romantic comedy *Love in Beijing* (working title) will be co-produced with China's Peacock Mountain Culture & Media Ltd. and Huaxia Film Distribution Co. Ltd.

Trinity Writers Room  
(L to R) Soniya Bafna, Amol Mehrotra, Niharika Puri, Abhishek Vyas, Ajit Thakur (CEO - Trinity Pictures), Radhika Anand, Mrunalini Havaladar, Maitri Shah

- \* A live action film to be released in Hindi, Telugu and Tamil
- \* A buddy cop film, to be shot in Hindi and Tamil simultaneously
- \* An action thriller to be directed by Vipul Amrutlal Shah

Started in 2015, Trinity Pictures, India's first franchise-driven studio creates valuable intellectual property around powerful character and plot-driven franchises; and monetises these properties across

entertainment, publishing, merchandising and gaming.

Of these, five franchises across new and diverse genres, are lined up in the next



**Ajit Thakur**  
CEO, Trinity Pictures

Trinity Pictures is one of India's first franchise-driven studio with a dedicated in-house team of writers (the Trinity Writers Room) and has developed around 20 original franchises since its inception.

two years. At least, two of these films will be Indo-China co-productions. Trinity's first franchise, a spy-superhero film directed by Amole Gupte, 'Sniff-I Spy' has released in August 2017.

Apart from this, Trinity Writers Room has completed development on 15 other franchises and 80 film concepts and some of which will be greenlit as films after being subjected to a thorough process of research and commercial evaluation.

**5 FRANCHISES IN DEVELOPMENT AND PRODUCTION STAGE**

**2 INDO-CHINESE PRODUCTIONS**

*sense of Smell*



**Sniff - I Spy**




To provide a potential marketing push, we strategically launched Sniff comics, which are being distributed by Diamond Comics. Further, a Sniff Arcade Game, in partnership with Viaan Studios, and exclusive merchandise are part of the integrated branding and promotional strategy to build recall for the character.

**Sniff Comics distributed by Diamond Comics**



# PASSION PUSHES THE TECHNOLOGY ENVELOPE



10,000+ FILM  
RIGHTS

135 COUNTRIES  
GLOBAL  
FOOTPRINT



Eros Now Social Media Team



(L to R) Zulfikar Khan,  
Business Head, Eros Now,  
Akshay Sharma,  
Head of Marketing, Eros Digital

As the digital revolution reshapes the entertainment industry, we remain at the forefront of change. We embrace new technologies that enable us to provide unique entertainment to millions around the world.

We are focused on opening new markets, delivering consumer-friendly product features such as offline and High Definition viewing, multi-language sub-titles and adopting a platform agnostic distribution strategy.

**Eros Now, our parent Eros International Plc's over-the-top entertainment service offers a world-class choice of content, including Indian language films, music and original shows.**



**Rishika Singh,**  
CEO, Eros Now

The emergence of digital platforms such as Eros Now has added a new revenue stream to Eros International Media and has made film content accessible to global consumers on-the-go and 24x7.

Eros Now has rights to over 10,000 films, across Hindi and regional languages. Eros Now service is integrated with some of India's leading telecom operators, Bharti Airtel, Idea Cellular, BSNL and Jio.

**68** **MILLION REGISTERED**  
**USERS ACROSS WAP,**  
**APP & WEB**

**2.9** **MILLION PAYING**  
**SUBSCRIBERS**  
**WORLDWIDE**



Eros Now was the number one trending App on the Google Play Store in July and voted 'App Stores Best 2016'.

## GROWING REACH

Eros Now expands its reach by having tied up exclusively with SBI Buddy and other e-wallets in India such as Paytm, Mobikwik, Freecharge and Speedpay with an aggregate addressable market of 260 million. Our strategy remains to distribute Eros Now, to consumers across telecoms and OEMs with compelling content and product features.

Eros Now has partnered with players such as Micromax and Smartron to pre-bundle the App in smartphones to be sold in India.

Eros Now, has over 68 million registered users across WAP, App and Web and 2.9 million paying subscribers as of 30 June, 2017. This has grown from 60 million registered users and 2.1 million paying subscribers as of 31 March, 2017.

In July 2017, Eros Now partnered with one of the most significant Indian film awards events - the 18<sup>th</sup> International Indian Film Academy (IIFA) Awards as Title Sponsors for the IIFA Weekend.



Business Development Team

(L to R) Narendra Lalchandani (VP - Cable TV Operations), Kumar Ahuja (President - Business Development), Prashant Gaonkar (VP- In-flight Entertainment), Pranab Kapadia (President - Marketing and Distribution (UK, Europe & Africa))

## Content Slate

File Name	Star Cast (Director/ Producer)	Language	Tentative Release
<b>Munna Michael</b>	Tiger Shroff, Nidhhi Agerwal, Nawazuddin Siddiqui (SabbirKhan)	Hindi	Released in Q2 FY2018
<b>Sniff - I Spy</b>	Khushmeet Gill, Surekha Sikri, Manmeet Singh among others (Amole Gupte)	Hindi	Released in Q2 FY2018
<b>Shubh Mangal Savdhaan</b>	Ayushman Khurana, Bhumi Pednekar (Prasanna/ Colour Yellow Productions)	Hindi	Released in Q2 FY2018
<b>Rang Be Rang ErKori</b>	Rituparna Sengupta, Arunima Ghosh (Ranjan Ghosh)	Bengali	Q2 FY2018
<b>Nila Choley Kiriti</b>	Indrani Sengupta, Rituparna Sengupta (Anindya Bakash Dutta)	Bengali	Q2 FY2018
<b>Bhavesh Joshi</b>	Harshvardhan Kapoor (Vikram Motwane/ Phantom Films)	Hindi	Q3 FY2018
<b>Mukkebaz</b>	Vineeth Kumar & Zoya (Anurag Kashyap/ Colour Yellow Productions)	Hindi	Q3 FY2018
<b>Nimmo</b>	Anjali Patil, Karan Dave (Rahul Sankhya/ Colour Yellow Productions)	Hindi	Q3 FY2018
<b>Happy Pill</b>	Ritwick Chakraborty, Sohini Sarkar (Moinak Bhowmik)	Bengali	Q3 FY2018
<b>Nervazhi</b>	Nayanthara (Bharath Krishna)	Tamil	Q4 FY2018
<b>Happy Bhag Jayegi 2</b>	Diana Penty, Abhay Deol, Jimmy (Mudassar Aziz / Colour Yellow Productions)	Hindi	Q4 FY2018
<b>Untitled</b>	(Raja Chandra)	Bengali	Q4 FY2018





Neeru Bafna  
Vice President HR - Eros Now

Sudam Patil  
HR, Eros

**File Name** **Star Cast (Director/ Producer)** **Language** **Tentative Release**

<b>Untitled</b>	(Sandip Ray)	Bengali	Q4 FY2018
<b>7 Kadam</b>	Amit Saadh, Diksha Seth, Ronit Roy & Others / (Mohit Kumar Jha)	Hindi	Q4 FY2018
<b>Ticket to Bollywood</b>	Amyra Dastoor, Diganth Manchale	Hindi	Q4 FY2018
<b>Chandamama Door Ke</b>	Sushant Singh Rajput, Nawazuddin Siddiqui (Sanjay Puran Singh)	Hindi	Q4 FY2018
<b>Manmarziyaan</b>	(Anurag Kashyap/ Colour Yellow Productions)	Hindi	FY2019
<b>Fake</b>	(Raj & DK)	Hindi	FY2019
<b>Untitled</b>	(Homi Adajania / Maddock Films)	Hindi	FY2019
<b>Badlapur2</b>	(Sriram Raghavan/ Maddock Films)	Hindi	FY2019
<b>Untitled</b>	Shah Rukh Khan (Anand L Rai / Colour Yellow Productions)	Hindi	FY2019
<b>Untitled</b>	(Rahul Dholakia)	Hindi	FY2019
<b>Jaita</b>	Harman Baweja (Harry Baweja)	Hindi	FY2019
<b>Guru Tegh Bahadur</b>	(Harry Baweja)	Punjabi	FY2019

## Board of Directors



**Naresh Chandra\***

### Non-Executive Independent Director

Mr. Naresh Chandra is our Non-Executive Chairman and Independent Director since 28 September, 2009. He graduated with a Masters degree in Science from Allahabad University. Mr. Chandra joined the Indian Administrative Services in 1956 and served as Chief Secretary in the State of Rajasthan; Commonwealth Secretariat Adviser on Export Industrialisation and Policy in Colombo (Sri Lanka); Adviser to the Governor of Jammu and Kashmir; and successively Secretary to the Ministries of Water Resources, Defence, Home and Justice in the Federal Indian Government.

In December 1990, he became Cabinet Secretary, gaining the highest position in the Indian civil services. In 1992, he was appointed Senior Advisor to the Prime Minister of India. He was the Governor of Gujarat in 1995-1996 and Ambassador of India to the United States of America during 1996-2001. He has also chaired the Committee on Corporate Audit and Governance; the Committee on Private Companies and Limited Liability Partnerships and the Committee on Civil Aviation Policy, for the Government of India. He has been honoured with the Padma Vibhushan in 2007.

\*(Due to sudden demise of Late. Naresh Chandra, our Chairman and Non-Executive Independent Director, his office as such stands ceased since 9 July, 2017)



**Sunil Lulla**

### Executive Vice Chairman & Managing Director

Mr. Sunil Lulla is a commerce graduate from University of Mumbai. With over 25 years of experience in the field of Media & Entertainment industry, he has been associated with EROS since its inception. He led the Company's growth within India for many years before being appointed Executive Vice Chairman and Managing Director of Eros India on 28 September, 2009. Mr. Sunil Lulla was reappointed as the Company's Managing Director on 3 September, 2015 for another period of five years.

During his stint as the Managing Director, he has contributed tremendously to develop and expand the Company's business in India. Under his leadership, the Company continued to achieve milestones. He has been instrumental in developing the Company's distribution business along with its home entertainment and music segments.



**Kishore Lulla**

### Executive Director

Mr. Kishore Lulla is our Executive Director, and Executive Chairman and Director of Eros International Plc., our parent company. Mr. Lulla received a Bachelors degree in Arts from Mumbai University. He has over 30 years of experience in the films, entertainment and media industry. He is a member of the British Academy of Film and Television Arts and Young Presidents' Organisation. Besides, he is a Board Member of the School of Film at University of California, Los Angeles. He has been honoured at the Asian Business Awards 2007 and the Indian Film Academy Awards 2007 for his contributions in taking Indian cinema global. In 2010, Mr. Lulla was awarded the Entrepreneur of the Year at the GG2 Leadership and Diversity Awards. In 2014, Forbes Asia featured Mr. Kishore Lulla on the list of Best under a Billion. He was also honoured with the 2014 Global Citizenship Award by the American Jewish Committee, a leading global Jewish advocacy organisation. Moreover, Mr. Lulla received the Entertainment Visionary award at the 2015 Annual Gala Dinner from the Asia Society of Southern California.

In 2015, he was further invited to attend the prestigious summer camp' in Sun Valley, an annual gathering of the world's most powerful entrepreneurs and business executives.

Mr. Kishore Lulla has been instrumental in expanding the Company's presence in the United Kingdom, the U.S., Dubai, Australia, Fiji and other international markets. He has been instrumental in projecting the Indian film industry to the global level.



## **Dharendra Swarup**

### **Non-Executive Independent Director**

Mr. Dharendra Swarup is a government-certified accountant and a member of the Institute of Public Auditors of India, and has a Masters degree in humanities. He was a member of the Board of the SEBI, and a member of the Permanent High-level Committee on Financial Markets between July 2005 and December 2009. A former civil servant, he retired as Secretary, Ministry of Finance, Government of India in 2005, and has approximately 45 years of experience in finance, budgeting, audit, public policy, public investments, project appraisal, evaluation of schemes and programmes of the Government of India. He has served as the Chairman of the Pension Funds Regulatory Authority between 2005 and 2009, and Chief of the Budget Bureau of the Government of India between 2000 and 2005. Moreover, he was member-secretary of the Financial Sector Reforms Commission (2011-2013) and Chairman of Public Debt Management Authority Task force. At present, he is the Chairman of financial sector redress agency established by the Government of India.

Besides, he has been Vice-Chairman of the International Network on Financial Education, Organisation for Economic Co-operation and Development between 2007 and 2009. He has a rich experience in finance sector and has worked in the UK, Turkey and Georgia.

He is on the Board of several listed companies and also acts as the Chairman and member of several committees.



## **Rakesh Sood**

### **Non-Executive Independent Director**

Mr. Rakesh Sood joined the Indian Foreign Service (IFS) in 1976 after completing his Masters degree in Physics from St. Stephen's College, Delhi University. Before joining the IFS, he had worked for a year each with DCM and SBI. He subsequently pursued post-graduate studies in Economics and Defence Studies.

He has served in the Indian missions in Brussels, Dakar, Geneva, and Islamabad in different capacities and also as Deputy Chief of Mission in Washington. In Delhi, Ambassador Sood served as Director (Disarmament) and set up the Disarmament and International Security Affairs Division, which he led for eight years till end of 2000 as Joint Secretary (D&ISA), in the Foreign Ministry. During this period, he was responsible for multilateral disarmament negotiations (CWC, CTBT and the BWC verification protocol and so on), bilateral dialogues on CBMs with Pakistan, strategic dialogues with other countries especially after the nuclear tests in 1998, and India's role in the ARF. Additionally, he chaired a number of Working Groups including the negotiations on landmines and cluster munitions. Ambassador Sood served on UNSG's Disarmament Advisory Board (2002-03).

Since retiring from government service, he has been active in both print and audio-visual media, commenting on foreign policy and international security issues and is frequently invited to speak by think tanks, in India and abroad.



## **Jyoti Deshpande**

### **Executive Director**

Ms. Jyoti Deshpande is our Executive Director and our Group Chief Executive Officer and Managing Director of Eros International Plc., our parent company. With a degree in Commerce and Economics, and an MBA from Mumbai University, Ms. Deshpande has over 25 years of experience in Indian media and entertainment across advertising, media consulting, television and films. Ms. Deshpande has been a key member of the Eros leadership team since 2001 and was instrumental in initial public offering of Eros International Plc. on AIM in 2006, Eros India's listing on the Indian Stock Exchanges in 2010 and Eros International Plc. Initial public offering on the NYSE in November 2013. Ms. Deshpande was featured in the list of Most Powerful Women in Business by Fortune India and Business Today in 2015.



## Directors' Report

To,  
The Members,

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report of Eros International Media Limited (hereinafter referred to as "the Company"), along with the audited financial statements for the financial year ended 31 March, 2017.

### 1. FINANCIAL RESULTS

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

	₹ in Lakhs			
	Eros International Media Limited (Standalone)		Eros International Group (Consolidated)	
	2016-17	2015-16	2016-17	2015-16
Sales and other Income	116,466	119,202	144,528	162,570
Profit Before tax	21,100	18,056	32,223	32,107
Less: Provision for Tax	8,061	6,793	7,894	7,900
Net Profit from the year from continuing operation	13,039	11,263	24,329	24,207
Profit for the year attributable to:				
Equity shareholders of the Company	-	-	25,745	23,867
Non-controlling interests	-	-	(1,416)	340
Other comprehensive income (net of taxes)	(22)	12	(453)	2119.11
Total comprehensive income for the year	13,017	11,275	23,876	26,327
Attributable to:				
Equity shareholders of the Company	-	-	24,821	25,968
Non-controlling interests	-	-	(945)	358
EPS (Diluted) in ₹	13.68	11.99	27.00	25.40

### 2. FINANCIAL PERFORMANCE

On a consolidated basis, our revenue decreased to ₹ 144,528 lakhs for the financial year 2016 - 2017 as against ₹ 162,570 lakhs in the previous financial year. The profit before tax increased by 0.36% to ₹ 32,223 lakhs as compared to ₹ 32,107 lakhs in the previous year. The Profit after tax attributable to equity shareholders was ₹ 25,745 lakhs increased by 7.87% over last year ₹ 23,867 lakhs in FY 2015 - 16. Diluted EPS increased by 6.30 % to ₹ 27 as compared to ₹ 25.40 in financial year 2015 - 16.

On a standalone basis, the revenue for the financial year 2016 - 17 stood at ₹ 116,466 lakhs which was lower by 2.30 % as compared to previous year which was ₹ 119,202 lakhs. The profit before tax increased by 16.86% to ₹ 21,100 lakhs as compared to ₹ 18,056 lakhs in previous year. The Profit after tax at ₹ 13,039 lakhs was higher by 15.77% over last year ₹ 11,263 lakhs in FY 2015 - 16. Diluted EPS increased by 14.10% to ₹ 13.68 as compared to ₹ 11.99 in financial year 2015 - 16.

### 3. OPERATIONAL PERFORMANCE

During the financial year 2016 - 17, your Company released a total of 44 films, of which 5 were high budget, 10 medium budget and 29 low budget films as compared to 63 films

released in corresponding period last year, of which 6 were high budget films, 16 medium budget and 41 low budget films. Amongst the 44 films released during the financial year, 11 were Hindi films, 18 were Tamil/Telugu films and 15 were other regional language films.

Major releases for FY 2017 included: Housefull 3 (Hindi), Ki & Ka (Hindi), Dishoom (Hindi), Baar Baar Dekho (Hindi), Rock On 2 (Hindi), Neel Batte Sannatta (Hindi), Happy Bhaag Jayegi (Hindi), Banjo (Hindi), Kahaani 2 (Hindi), Sardar Gabbar Singh (Telugu), Janata Garage (Telugu), 24 (Tamil), White (Malayalam), & Zara Hatke (Marathi), Chaar Sahibzaade 2 (Punjabi), Amar Prem (Bengali), Double Feluda (Bengali) and others.

In FY 2018, we continue to be focused on ramping up our own productions and co-production through Eros' in-house franchise label, Trinity Pictures and key partnerships such as the one with talented producer - director, Aanand L. Rai (Colour Yellow Production). We are excited about these developments and are looking forward to FY2018 which will see the fruition of this strategy in a significant manner. Trinity Writers Room has been established and already completed development on 20 franchises.

China is evolving as a very significant film market and in years to come is expected to overtake the US film market. Eros currently has two Indo-China co-productions which are scheduled for release in FY2018-2019, a first for any Indian studio-Kabir Khan's travel drama and Siddharth Anand's cross-cultural romantic comedy Love In Beijing.

The Company has a compelling slate for FY 2018, including films such as a Trinity Pictures Sniff - I Spy, Shubh Mangal Savdhan, Mukkebaz, Chandamama Door Ke, Bhavesh Joshi, Happy Bhaag Jayegi 2 and Soorma to name a few Hindi films. In addition, Eros has a number of Tamil, Telugu, Punjabi, Bengali, Marathi and Malayalam films that we look forward to releasing during the year.

Your Company's key asset is a film library of over 2000 films. In an effort to reach a wide range of audiences, we maintain rights to a diverse portfolio of films spanning various genres, generations and languages. These include rights to films in Hindi and several regional languages Tamil, Telugu, Kannada, Marathi, Bengali, Malayalam and Punjabi.

#### 4. DIVIDEND

In terms of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, the Company has adopted the Dividend Distribution policy on February 10, 2017, copy of which is uploaded on the website of the Company [www.erosintl.com](http://www.erosintl.com)

Your Directors did not recommend any dividend to its equity shareholders for the financial year 2016-2017, keeping in mind various financials & business plans of the Company.

#### 5. RESERVES

No percentage of profits was transferred to General reserve as dividend was not recommended for the financial year 2016 - 17.

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

During the year, the Board of Directors of the Company, on the recommendations of Nomination and Remuneration Committee, granted additional 282,227 stock options to the employees of the Company and its subsidiary company and 269,553 Equity shares of the Company were issued and allotted to various employees against exercise of equal number of stock options pursuant to Eros Employee Stock Option Scheme 2009. This resulted in increase in the Company's paid up share capital to ₹ 938,587,170 as on 31 March, 2017 as against ₹ 935,891,640 in the previous year.

Summary of information on the Stock options provided by the Company in accordance with Employee Stock Option

Scheme 2009 of the Company and in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June, 2015, is attached as **Annexure A** hereto and is also available on website of the Company [www.erosintl.com](http://www.erosintl.com). A certificate from the statutory auditors that the scheme has been implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution(s) passed by the shareholders would be placed at the AGM for inspection by the members.

Further, the Board of Directors of the Company at its meeting held on 26 May, 2017 have approved the new Eros International Media Limited - Employee Stock Option Scheme 2017 ("EROS ESOP 2017") prepared in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and necessary circulars/notifications issued thereto, for issue and allotment of grant of stock options to the employees of the Company, its holding and subsidiary companies. Brief features of ESOP 2017 are stated in the Notice convening the 23<sup>rd</sup> Annual General Meeting. Your Board of Directors recommend the item Nos. 6 and 7 of the Notice of the ensuing Annual General Meeting pertaining to EROS ESOP 2017 for your approval.

#### 7. SUBSIDIARY COMPANIES

As on 31 March, 2017, the Company has 15 subsidiaries. There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the Company and its subsidiaries. Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries, its performance and financial position in the prescribed Form AOC-1 is annexed to this Report as **Annexure B**.

None of the subsidiary companies are material non-listed Indian subsidiary as per the SEBI Listing Regulations and in accordance with Company's policy on "Determination of material subsidiaries", which is uploaded on the website of the Company at [www.erosintl.com](http://www.erosintl.com)

In accordance with Section 136 of the Companies Act, 2013, the financial statements of the subsidiary companies are available for inspection by the members at the Corporate Office of the Company during business hours on all days except Saturdays, Sundays and public holidays between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting ("AGM"). Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Corporate Office of the Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all

## Directors' Report (Contd.)

other documents required to be attached to this report have been uploaded on the website of the Company [www.erosintl.com](http://www.erosintl.com)

### 8. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Vijay Ahuja, Non-Executive Non Independent Director of the Company, who was liable to retire by rotation at the 22<sup>nd</sup> AGM held on 29 September, 2016, did not seek re-appointment at the said AGM and ceased to be a Director with effect from 29 September, 2016. The Board of directors placed on record its sincere appreciation for Mr. Vijay Ahuja for the significant contributions and valuable guidance provided by him during his tenure with the Company. The Company wished him all the best for his future endeavours.

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

Further, the term of Mr. Kishore Lulla, as an Executive Director of the Company was approved by the shareholders for a period of five (5) years from 1 November, 2012. The Board, at their meeting held on 26 May, 2017, have approved and proposed the re-appointment of Mr. Kishore Lulla for another term of five (5) years commencing from the end of the existing term i.e. from 1 November 2017 till 31 October, 2022. Your Directors recommend extension of the term of Mr. Kishore Lulla on such terms and conditions as stated in explanatory statement for your approval.

The brief details of the director proposed to be reappointed as required under Regulation 36 of SEBI Listing Regulations is provided in the Notice of the Annual General Meeting.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

All the Directors of the Company have confirmed that they are not disqualified to act as Director in terms of Section 164 of the Companies Act, 2013.

Pursuant to the provisions of Section 203 of the Act, the key managerial personnel of the Company are - Mr. Sunil Lulla, Executive Vice Chairman & Managing Director, Mr. Dinesh Modi, Group Chief Financial Officer (India), and Ms. Dimple Mehta, Vice President

- Company Secretary and Compliance Officer. There has been no change in the key managerial personnel during the year.

### 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. 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

The Board met five (5) times during the financial year under review, the details of which are given in the Corporate Governance Report that forms part of this Report. The intervening gap between any two meetings of the Board was not more than one hundred and twenty (120) days as stipulated under the Companies Act, 2013 and SEBI Listing Regulations.

### Constitution of various committees

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

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

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

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

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements in accordance with the revised Board Performance Evaluation Policy approved and adopted by the Board on 10 February, 2017, which is as per the guidance note issued by SEBI on 5 January, 2017.



The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs during the meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

The above evaluation was based on the evaluation criteria as per the revised Board Evaluation Policy of the Company. The performance evaluation was done in an independent and a fair manner.

The outcome of the Board evaluation for the financial year 2016-17 was discussed by the Nomination and Remuneration Committee and the Board at their meeting(s) held on 26 May, 2017.

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

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

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

The remuneration paid to the Directors is in line with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Company's policy on directors' appointment and remuneration and other matters as provided in Section 178(3) of the Companies Act, 2013 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 is attached as **Annexure C** hereto and forms part of this Report.

## 9. AUDITORS

M/s. Walker Chandio & Co LLP, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting (AGM). In accordance with the provisions Section 139 of the Companies Act, 2013 and the mandatory rotation of the Auditor requirement, the Board of Directors on recommendation from Audit Committee proposed to appoint M/s Chaturvedi & Shah (Firm Registration No 101220W) as statutory auditors of the Company to hold office from the conclusion of ensuring 23<sup>rd</sup> AGM till the conclusion of 28<sup>th</sup> AGM to be held in the year 2022. A Certificate from M/s. Chaturvedi & Shah has been received to the effect that their appointment would be in accordance with Section 139(1) of the Companies Act, 2013 and that they are not disqualified from being appointed as the Auditors of the Company.

Yours Directors recommend the appointment of Auditors as stated at item no. 3 in Notice convening the forthcoming Annual General Meeting.

#### Auditors' Report

There are no qualifications, adverse remarks or reservations made by M/s. Walker Chandio & Co. LLP, Statutory Auditors, in their report for the financial year ended 31 March, 2017. The notes to the Accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanation.

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incidence of fraud to the Audit Committee during the year under review.

## 10. SECRETARIAL AUDITORS' AND ITS REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Makarand M. Joshi & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2016 - 2017. The report of Secretarial Audit for the financial year 2016-2017 in form MR-3 is annexed herewith as **Annexure D** to this Report, which is self-explanatory. There are no qualifications, reservations or adverse remarks in the report.

## Directors' Report (Contd.)

### 11. CREDIT RATING

During the year, the following ratings for various facilities/instruments were revised/ reaffirmed:

Sr No.	Facilities/ Instrument	Rating Agency	Rating
1	Long term Facilities	CARE	CARE A+ (Single A plus)
2	Short term Facilities	CARE	CARE A1 (A one)
	Proposed Long Term/ Short Term Facilities		CARE A+/ CARE A1 (Single A plus/ A one)
3	Proposed Non-Convertible Debentures (that may be issued by the Company in future depending on various factors)	CARE	CARE A+ (Single A plus)
4	Commercial Papers/ Short Term Debt	CARE	CARE A1 (A One)

### 12. PARTICULARS OF EMPLOYEES

The information required under Section 197 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.

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

Details of loans, guarantees and investments made /given by the Company in the year 2016-2017 under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31 March, 2017, are set out in the Notes to the Standalone Financial Statements of the Company forming part of this Annual Report.

### 14. RELATED PARTY TRANSACTIONS

In line with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board have approved a policy on related party transactions, which has been placed on the Company's website at [www.erosintl.com](http://www.erosintl.com). Prior omnibus approval of the Audit Committee is obtained for the transaction which are of a foreseeable and repetitive in nature and such transactions are reported on a quarterly basis for review by the Audit Committee and the Board.

Pursuant to Section 134 of the Companies Act, 2013, the particulars of material contracts or arrangements with related parties referred to in Section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as **Annexure F** in this Report.

Other contracts/arrangements with related parties, in usual course of business and at arm's length basis are stated in Notes to accounts.

### 15. VIGIL MECHANISM

In line with the requirements under Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, your Company has established a Vigil Mechanism Policy for receiving and redressing complaints from employees, directors and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud.

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

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

### 16. 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 employees at the 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 during the financial year and their disposal is as under:

Number of cases pending as on the beginning of the financial year (1 April, 2016)	Nil
Number of complaints filed during the year	Nil
Number of cases pending as on the end of the financial year (31 March, 2017)	Nil

### 17. EXTRACT OF THE ANNUAL RETURN

In accordance with 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.

## 18. INSURANCE

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

## 19. DEPOSITS, LOANS AND ADVANCES

Your Company has not accepted any Public 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, 2017. The details of loans and advances, which are required to be disclosed in the Company's annual accounts, pursuant to Schedule IV of SEBI Listing Regulations, are mentioned in Notes to accounts forming a part of this Report.

## 20. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained, in terms of Section 134 of the Companies Act, 2013, your Directors confirms that:

- in the preparation of the annual accounts, the applicable accounting standards has been followed along with the proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2017 and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- internal financial controls were followed by the Company and they are adequate and are operating effectively; and

- proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

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

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:

Particulars	₹ in Lakhs)	
	Year ended 31 March, 2017	Year ended 31 March, 2016
Expenditure in foreign currency	149	221
Earnings in foreign currency	37,520	20,894
CIF Value of Imports	1,960	-

## 22. INTERNAL AUDIT

As per the provisions of Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust systems/ framework of internal financial controls to provide them with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. To enable the Directors to meet these responsibilities, the Board has entrusted the Audit Committee to set up the necessary internal control frameworks which are operating within the Company. In line with best practices, the Audit Committee regularly reviews the internal control system to ensure that it remains effective and fit for the purpose.

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 KPMG, Chartered Accountants.

The internal controls and governance process are duly reviewed for their adequacy and effectiveness through periodic audits by internal auditors. Your Company's Audit Committee periodically reviews the findings and suggestions given by internal auditors.



## Directors' Report (Contd.)

Further, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and suitable corrective actions are taken by your Company.

### 23. CORPORATE GOVERNANCE

In compliance with Regulation 34 of the SEBI Listing Regulations, a separate report on Corporate Governance along with a certificate from the Secretarial Auditor on its compliance, forms an integral part of the report.

### 24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In line with Regulation 34(2)(e) and Schedule V of SEBI Listing Regulations, Management Discussion and Analysis Report is annexed and forms part of this Report.

### 25. CORPORATE SOCIAL RESPONSIBILITY

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 at [www.erosintl.com](http://www.erosintl.com)

During the financial year 2016-17, the Company had made a total spend of ₹ 20 Lakhs on CSR activities. The CSR contribution of ₹ 10 lakhs made in FY 2015-16 was utilized by "CARE India Solutions for Sustainable Development" for the project "Join My Village Maternal and Neo Natal Health" to intensify integrated maternal and new born health with a focus on assimilating gender interventions in selected district of Uttar Pradesh. Since the spend was not considered in FY 2015 - 2016, it is considered as spend in 2016 - 2017, being the actual year of utilization.

The Company has also contributed ₹ 10 Lakhs to NGO 'Arpan' which was utilized for the project personal safety and education programme in schools for dealing with child sexual abuse. It also focuses on creating awareness and skill enhancement of adults like parents, teachers and institutional caretakers who are primary stakeholders and caregivers in child's life.

### 26. BUSINESS RESPONSIBILITY REPORT

The maiden Business Responsibility Report of the Company for the Financial Year 2016 - 17, as stipulated under Regulation 34 of the SEBI Listing Regulations is annexed to this Report as **Annexure I**.

### 27. RISK MANAGEMENT

Given the extensive scale of business operations, your Company has put in place an Enterprise Risk Management (ERM) framework and adopted a risk management policy based on globally recognised standards. The ERM framework is administered by the Audit Committee, as they have been vested with powers and functions relating to Risk Management, which *inter alia* includes (a) review of risk management policies and business processes to ensure that the business processes adopted and transactions entered into by the Company are designed to identify and mitigate potential risk; (b) laying down procedures relating to Risk assessment and minimization. The objective of the risk management framework is to enable and support achievement of business objectives through risk intelligent assessment while also placing significant focus on constantly identifying and mitigating risks within the business. Further details on the Company's risk management framework is provided in the Management Discussion and Analysis report.

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

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

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

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

### 30. OTHER DISCLOSURES

- During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);
- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings;

- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

place on record their gratitude to all the stakeholders for their continued support and confidence.

### 31. ACKNOWLEDGEMENTS

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

Your Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by the employees at all levels. Your Directors also wish to

For and on behalf of the Board of Directors

**Sunil Lulla**

DIN: 00243191

Executive Vice Chairman &  
Managing Director

**Jyoti Deshpande**

DIN: 02303283

Executive Director

Place: New Delhi

Date: 26 May 2017

## Annexure A

## Disclosure pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 for the financial year 2016-17

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	Total
Date of Shareholders approval	04-Dec-09								
Total number of options approved under the Scheme	5% of the issued paid up share capital as on Grant date								
Grant dates	17-Dec-09	12-Aug-10	01-Jul-12	14-Oct-13	12-Nov-14	12-Feb-15	09-Feb-16	10-Feb-17	
(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), Options Granted during the year 2015-2016 (refer column G), Options Granted during the year 2016-2017 (refer column H)	1,729,512	83,628	571,160	300,000	552,961	139,000	966,009	282,227	4,624,497
(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 (₹ 55/-)	At a Discount of 94 % to Fair Value (₹ 284/-)	At a Discount of 96% to Fair Value (₹ 279/-)	At a Discount of 95% to Fair Value (₹ 200/-)	At a Discount of 95% to Fair Value (₹ 200/-)	
(c) Options vested	1,046,552	79,128	571,160	135,000	317,112	45,333	310,597	-	2,504,882
(d) Options exercised	1,010,747	76,128	-	60,000	270,334	12,000	121,538	-	1,550,747
(e) Total number of shares arising as a result of exercise of options	1,010,747	76,128	-	60,000	270,334	12,000	121,538	-	1,550,747
(f) Options lapsed (as at 31st March 2017)	709,070	7,500	-	120,000	50,813	21,000	44,458	12,846	965,687
(g) Variation in terms of 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	Not Applicable	Not Applicable	
(h) Vesting requirements	The vesting period for the grant shall be as follows: For eligible employees as identified by the Nomination and Remuneration Committee and at their sole discretion: <div> <div></div> <div></div> <div></div> <div></div> </div> 20% of the options shall vest on the completion of 12 months from the grant date 20% of the options shall vest on the completion of 24 months from the grant date 30% of the options shall vest on the completion of 36 months from the grant date 30% of the options shall vest on the completion of 48 months from the grant date Notwithstanding anything to the contrary in this plan, the Nomination and Remuneration Committee may be entitled to in its absolute discretion, to vary or alter the Vesting Date from employee to employee or class, as it may deem fit.								
(i) Maximum term of options granted	The term of each option is as specified by the Nomination and Remuneration Committee at the Grant Date and as stated in the Agreement. However, the options shall not be exercised after the period of ten years from the date of grant or finishing of all stock allocated for the employee stock options, whichever is earlier								
(j) Source of Shares (primary, secondary or combination)	Primary	Primary	Primary	Primary	Primary	Primary	Primary	Primary	
(k) Money realized by exercise of options (upto 31 March 2017)	138,152,225	6,609,600	-	9,000,000	2,703,340	120,000	1,215,380	-	157,800,545
(l) Total number of options in force (as at 31 March 2017)	9,695	-	571,160	120,000	231,814	106,000	800,013	269,381	2,108,063
(m) 1 Employee wise details of options granted to Senior Management	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	
2 Employees to whom more than 5% options granted during the year	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	
3 Employees to whom options more than 1% of issued capital granted during the year	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
(n) Diluted EPS, pursuant to issue of shares on exercise of options	The diluted EPS will be ₹ 13.68 per share, lower by ₹ 0.24								



	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	Total
(0) 1	Method of calculation of employee compensation cost	Calculation is based on fair value method							
2	Intrinsic Value per share (in Rupees)	28.09	88.18	100.00	-	282.35	376.20	189.95	₹ 188.00
3	Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	Cost has been recognized using fair value of option.							
4	Impact of this difference on Profits and on EPS of the Company	Not Applicable							
(p) 1	Weighted average exercise price (in Rupees)	118.42	91.14	75.00	150.00	10.00	10.00	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	189.19	179.37
(q)	Significant assumptions used to estimate fair value of options including weighted average								
1	Risk free interest rate	6.30%	6.50%	8.36%	8.57%	8.50%	7.74%	7.49%	6.51%
2	Expected life	5.25 years	5.25 years	5.5 years	4.5 years	3.0- 4.5 years	3.5- 6.5 years	3.5- 5.5 years	4.27 years
3	Expected volatility (based in competitor companies volatility)	75%	60%	44%	35%	40.11%	37.84%	46.46%	48.66%
4	Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Closing market price of share on a date prior to date of grant (Fair market value in absence of listing) (in Rupees)	175	175	168.65	144.75	291.45	386.3	199.95	199.85

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

Options granted to Senior Management Personnel	Options Granted	Option Exercised	Options Lapsed	Options in force
<b>Grant Dated 10 February, 2017</b>				
Kumar Ahuja	28,000	-	-	28,000
Zulfiqar Khan	6,000	-	-	6,000

## Annexure B

## FORM AOC-I

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

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

#### Part "A": Subsidiaries

Sr. No	Name of the subsidiary	Date Since subsidiary was acquired	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.		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
				CUR	Rate of exchange to INR											
1	Eros International Films Private Limited	31-Mar-97	31-March-2017	INR	1	200,000,000	(24,668,791)	624,818,421	624,818,421	1	1,569,779,959	25,531,872	-	25,531,872	Nil	100.00%
2	Copsale Limited	11-Feb-99	31-March-2017	USD	64.86	4,495,000	5,985,675,479	8,014,324,462	8,014,324,462	-	2,201,184,481	1,582,279,764	-	1,582,279,764	Nil	100.00%
3	Bigsreen Entertainment Private Limited	17-Jan-07	31-March-2017	INR	1	100,000	9,999,244	22,062,963	22,062,963	-	-	(89,904)	-	(89,904)	Nil	64.00%
4	Eyegue Studios Private Limited	31-Oct-07	31-March-2017	INR	1	100,000	4,390,085	6,983,598	6,983,598	-	-	(592,069)	-	(592,069)	Nil	100.00%
5	Ayngaran International Limited (IOM)	01-Oct-07	31-March-2017	USD	64.86	7,994	(66,855,429)	1,275,339,521	1,275,339,521	-	-	(8,931,819)	-	(8,931,819)	Nil	51.00%
6	Ayngaran International (UK) Limited	01-Oct-07	31-March-2017	GBP	81.29	71	(647,146,583)	674,637,558	674,637,558	-	88,125,336	(192,526,850)	-	(192,526,850)	Nil	100.00%
7	Ayngaran International (Mauritius) Limited	07-Mar-08	31-March-2017	USD	64.86	291,428	256,797,345	1,735,985,643	1,735,985,643	-	70,276,367	(18,533,670)	-	(18,533,670)	Nil	100.00%
8	Ayngaran International Media Private Limited	01-Oct-07	31-March-2017	INR	1	219,000	(113,496,153)	539,644,788	539,644,788	-	338,512,001	(43,745,706)	-	(43,745,706)	Nil	100.00%
9	Ayngaran Anak Media Private Limited	06-Oct-08	31-March-2017	INR	1	2,000,000	(7157,958)	647,060	647,060	-	2,410,804	(3,602,565)	-	(3,602,565)	Nil	51.00%
10	EM Publishing Private Limited	25-Mar-09	31-March-2017	INR	1	100,000	(1,811,270)	606,904	606,904	-	737,185	(15,801)	-	(15,801)	Nil	100.00%
11	Eros Animation Private Limited	02-Jan-09	31-March-2017	INR	1	100,000	(78,617)	65,400	65,400	-	-	(52,556)	-	(52,556)	Nil	100.00%
12	Digicine Pte Ltd	30-Mar-12	31-March-2017	USD	64.86	4,045	(5,272,015)	1,387,991,917	1,387,991,917	-	27,217,789	(136,930,670)	-	(136,930,670)	Nil	100.00%
13	Colour Yellow Productions Private Limited	23-May-14	31-March-2017	INR	1	100,000	185,549,006	630,423,013	630,423,013	-	183,462,030	(20,431,590)	(991,517)	(19,440,073)	Nil	50.00%
14	Universal Power Systems Private Limited	01-Aug-15	31-March-2017	INR	1	100,000	150,925,676	470,758,590	470,758,590	16,081	291,662,738	5,280,329	2,958,273	2,322,056	Nil	100.00%

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

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

Not Applicable

## Annexure C

### INFORMATION REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013, READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 is as follows:

Name of Director	Total remuneration (Amt in ₹)	Ratio of remuneration of director to the Median remuneration
Mr. Naresh Chandra	5,695,000	10.01
Mr. Dharendra Swarup	3,207,500	5.64
Mr. Rakesh Sood	3,207,500	5.64
Mr. Sunil Lulla	46,333,880	81.44
Mr. Kishore Lulla	11,595,672	20.38
Ms. Jyoti Deshpande	10,541,520	18.53
Mr. Vijay Ahuja*	-	-

Notes:

- The above information is on standalone basis
  - The aforesaid details are calculated on the basis of remuneration for the financial year 2016-17.
  - The remuneration to Directors includes sitting fees paid to them for the financial year 2016-17.
- \*Mr. Vijay Ahuja, Non Executive Non Independent Director retired by rotation at the Annual General Meeting held on 29 September, 2016

- B. Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2016-17 are as follows:

Name of Director	Designation	Remuneration (in ₹)		Increase in %
		2016-17	2015-16	
Mr. Naresh Chandra	Non Executive Independent Director	5,695,000	6,905,000	(17.52)
Mr. Dharendra Swarup	Non Executive Independent Director	3,207,500	3,892,500	(17.60)
Mr. Rakesh Sood	Non Executive Independent Director	3,207,500	800,000	300.94
Mr. Sunil Lulla	Executive Vice Chairman & Managing Director	46,333,880	42,234,400	9.71
Mr. Kishore Lulla	Executive Director	11,595,672	10,541,520	10.00
Ms. Jyoti Deshpande	Executive Director	10,541,520	9,583,200	10.00
Mr. Vijay Ahuja*	Non Executive Non Independent Director	-	-	-
Mr. Dinesh Modi	Chief Financial Officer	9,300,000	8,125,000	14.46
Ms. Dimple Mehta	Company Secretary & Compliance Officer	5,008,211	3,738,517	33.96

\*Mr. Vijay Ahuja, Non Executive Non Independent Director retired by rotation at the Annual General Meeting held on 29 September, 2016

- C. Percentage increase in the median remuneration of employees in the financial year 2016-17:

Particulars	2016-17	2015-16	% Change
	Amt in ₹	Amt in ₹	
Median Remuneration of all employees per annum	568,950	107,499	429.26%

- D. Number of permanent employees on the rolls of the Company as on 31 March, 2017 :

As on 31 March, 2017, the Company has 294 permanent employees on its payroll, as compared to 311 employees as at 31 March, 2016

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

Particulars	2016-17 (₹)	2015-16 (₹)	% Change
	Amt in ₹	Amt in ₹	
Average salary of all employees (other than Key Managerial Personnel)	35,337,973	27,908,084	26.62%

- F. Affirmation:

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

## Annexure D

### FORM NO. MR.3 SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31 March, 2017

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

To,  
The Members,  
**EROS INTERNATIONAL MEDIA LIMITED**  
201, Kailash Plaza, Opp. Laxmi Industrial Estate,  
Off. Andheri Link Road, Andheri (W),  
Mumbai - 400 053.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **Eros International Media Limited** (the "**Company**") for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, and Overseas Direct Investment. **(External Commercial Borrowing not applicable during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the audit period)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the audit period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the audit period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the audit period)**



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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as confirmed by the company that, it has made delay in filling of Annual Return on Foreign liabilities and Assets (FLA) and Annual Performance Report (APR) for year ended 31 March 2016.

**We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following law applicable specifically to the Company:

1. The Cinematograph Act, 1952
2. The West Bengal (Compulsory Censorship of Film Publicity Materials) Act, 1974
3. The Tamil Nadu (Compulsory Censorship of Film Publicity Materials) Act, 1987

**We further report that**

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

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

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

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

**We further report that during the audit period** the Company has allotted 2,69,553 Equity Shares having Face Value of ₹ 10/- each aggregating to ₹ 26,95,530/- under Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

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

**Makarand Joshi**  
Partner  
FCS No. 5533  
CP No. 3662  
Place: Mumbai  
Date: 16th May, 2017

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

## Annexure A to Secretarial Audit Report

To,  
The Members,  
**EROS INTERNATIONAL MEDIA LIMITED**  
201, Kailash Plaza, Opp. Laxmi Industrial Estate,  
Off. Andheri Link Road, Andheri (W),  
Mumbai – 400 053

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

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

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

**Makarand Joshi**  
Partner  
FCS No. 5533  
CP No. 3662  
Place: Mumbai  
Date: 16 May, 2017

## Annexure E

### Particulars of employees as per Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 for the financial year ended 31 March, 2017

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	46,333,880	Bachelor of Commerce	25 yrs +	19-Aug-94	53 years	-	1,400	0	Brother of Mr. Kishore Lulla
2	Mr. Kishore Lulla	Executive Director	11,595,672	Bachelor of Arts	30 yrs +	1-Nov-11	55 Years	-	0	0	Brother of Mr. Sunil Lulla
3	Ms. Jyoti Deshpande	Executive Director	10,541,520	Masters in Business Administration	25 yrs +	1-Jul-12	46 Years	MindShare UK	142,790	0.15	-
4	Mr. Dinesh Modi	Group Chief Financial Officer (India)	9,300,000	Chartered Accountant and Certified Public Accountant	15 yrs +	11-Nov-14	39 Years	Prana Studios Pvt Ltd	0	0	-
5	Ms. Krishika Lulla	Creative Producer	8,413,600	Bachelor of Arts	5 yrs +	1-Jan-14	45 Years	-	1,400	0	Spouse of Mr. Sunil Lulla
6	Mr. Ajit Thakur	CEO - Eros Next	21,387,671	Bachelor of Arts, Masters in Business Administration	15 yrs +	2-Feb-15	44 Years	Star (I) Ltd	0	0	-
7	Mr. Zulfiqar Khan	Chief Revenue Officer & Business Unit Head	13,132,000	PGDM, AIMA - DELHI	12yrs	3-Aug-15	43 Years	Star (I) Ltd	0	0	-
8	Mr. Kumar Ahuja	Sr Vice President- BD	12,034,268	SVC Commerce	18 Years	22-Apr-99	38 Years	-	0	0	-
9	Mr. Nandu Ahuja	SR VP - India Theatrical	9,135,872	Bachelor of Commerce	34 yrs +	27-Jan-09	54 Years	Balaji Motion Pictures Limited	188	0	-
10	Mr. Aamod Gupte	Head - Legal	9,568,171	L.L.B, B.A., Diploma in Marketing Management	24 yrs+	15-Apr-15	49 Years	Media Law Office/ Indus Lexus	0	0	-
11	Mr. Abhay Bhalerao	Head - Investor Relations	7,879,671	Bachelor of Engineering (Mechanical) ; Masters in Management Studies in Finance	25 yrs +	12-Jan-15	51 Years	Equirus Capital Private Limited	0	0	-
12	Mr. Sameer Gogate* (resigned on 30 December, 2016)	Chief Development Officer	6,532,948	Bachelor of Engineering (Electronics) and Post Graduate in Marketing	10 yrs +	24-Nov-14	37 Years	Endemol (I) Ltd.	0	0	-

#### 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 2016-2017.

## Annexure F

### Form No. AOC-2

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

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

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

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

(a)	Name(s) of the related party	Eros World Wide FZ LLC
	Nature of relationship	Holding company
(b)	Nature of contracts/arrangements/transactions	Sale of film right, DVD/VCD, Reimbursement of expense
(c)	Duration of the contracts / arrangements/transactions	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable
(e)	Date(s) of approval by the Board, if any:	27 May, 2016
(f)	Amount ₹ in Lakhs	37,429

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



## Annexure G

### EXTRACT OF THE ANNUAL RETURN

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31 March, 2017

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

#### I. REGISTRATION AND OTHER DETAILS:

i. CIN	L99999MH1994PLC080502
ii. Registration Date	19 August, 1994
iii. Name of the Company	Eros International Media Limited
iv. Category / Sub-Category of the Company	Public Company/ Company having Share Capital
v. Address of the Registered office and contact details	201, Kailash Plaza, Opp. Laxmi Industrial Estate, Off. Andheri Link Road, Andheri West, Mumbai - 400 053. Tel No: 91 22 6602 1500 Fax: 91 22 6602 1540 Email : <a href="mailto:compliance.officer@erosintl.com">compliance.officer@erosintl.com</a>
vi. Whether listed company Yes/ No	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. CIN: U67190MH1999PTC118368 C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083. Tel: 91 22 4918 6000 Fax: 91 22 4918 6060; E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

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

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

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

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

Sr. No	Name and Address of the Company	CIN/GLN/LLPIN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Eros International Plc, Isle of Man Address: 15-19 Athol Street, Douglas, Isle of Man IML 1LB British Isles	116107C	Ultimate Holding	100	2(46)
2	Eros Worldwide FZ-LLC Address: Office No. 529, Building No. 8, Fifth Floor, Dubai Media City, P.O.Box 502121, Dubai, United Arab Emirates	143	Holding	50.21	2(46)
3	Eros International Films Private Limited Address: 201, Kailash Plaza, 2nd Floor, Plot No. 12, Off. Veera Desai Road, Mumbai-400 053	U92113MH1994PTC080423	Subsidiary	100	2(87)(ii)
4	Copsale Limited (Isle of Man) Address: Offices of Ansbacher (BVI) Limited, P.O. Box 659, Road Town, Tortola, British Virgin Islands	269307	Subsidiary	100	2(87)(ii)

## Annexure G (Contd.)

Sr. No	Name and Address of the Company	CIN/GLN/LLPIN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
5	Big Screen Entertainment Private Limited Address: B-301, 302, Brook Hill Tower, 3rd Cross Lane, Lokhandwala Complex, Andheri (West), Mumbai - 400 053	U92110MH2005PTC156504	Subsidiary	64	2(87)(ii)
6	EyeQube Studios Private Limited Address: 201, Kailash Plaza, 2nd Floor, Plot No. 12, Off. Veera Desai Road, Mumbai - 400 053	U92120MH2007PTC175027	Subsidiary	100	2(87)(ii)
7	EM Publishing Private Limited Address: 201, Kailash Plaza, 2nd Floor, Plot No. 12, Off. Veera Desai Road, Mumbai - 400 053	U92140MH2008PTC178628	Subsidiary	100	2(87)(ii)
8	Eros Animation Private Limited Address: 201, Kailash Plaza, 2nd Floor, Plot No. 12, Off. Veera Desai Road, Mumbai - 400 053	U92100MH2008PTC186402	Subsidiary	100	2(87)(ii)
9	Digicine Pte. Limited Address: 160 Robinson Road, #17-01, SBF Center, Singapore 068 914	201207959W	Subsidiary	100	2(87)(ii)
10	Ayngaran International Limited (Isle of Man) Address: PO Box 203 St George's Court, Upper Church Street, Douglas, Isle of Man	117883C	Indirect Subsidiary	51	2(87)(ii)
11	Ayngaran International (Mauritius) Limited Address: IFS Court, Twenty Eight, Cyber City, Ebene, Mauritius	073444C1/GBL	Indirect Subsidiary	100	2(87)(ii)
12	Ayngaran International UK Limited Address: Milner House, 13 Manchester Square, London, England, W1U 3PP	5957372	Indirect Subsidiary	100	2(87)(ii)
13	Ayngaran International Media Private Limited Address: 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 Address: 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 Address: Flat No. 3402, B Wing, Oberoi Spring CHSL, Off New Link Road, Andheri (West), Mumbai – 400 053	U92412MH2013PTC248167	Subsidiary	50	2(87)(i)
16	Universal Power Systems Private Limited Address: Gee Gee Universal, II Floor, No.2, Mc Nichols Road, Chetpet, Chennai, Tamil Nadu – 600 031	U33111TN1984PTC010826	Subsidiary	100	2(87)(ii)
17	Eros International Distribution LLP Address: 201, Kailash Plaza, Plot No. A-12, Opp Laxmi Industrial Estate, Andheri West, Mumbai – 400 053	AAF-3133	Subsidiary	99.98	2(87)(ii)

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

##### i. Category-wise Share Holding as on 31 March, 2017

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 1 April, 2016				No. of Shares held at the end of the year i.e. 31 March, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	7,000	-	7,000	0.01	7,000	-	7,000	0.01	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	21,700,000	-	21,700,000	23.19	21,700,000	-	21,700,000	23.12	(0.07)
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>23.20</b>	<b>21,707,000</b>	<b>-</b>	<b>21,707,000</b>	<b>23.13</b>	<b>(0.07)</b>
<b>(2) Foreign</b>									
Bodies Corporate	47,126,290	-	47,126,290	50.35	47,126,290	-	47,126,290	50.21	(0.14)
<b>Total Shareholding of Promoters (A1+A2)</b>	<b>68,833,290</b>	<b>-</b>	<b>68,833,290</b>	<b>73.55</b>	<b>68,833,290</b>	<b>-</b>	<b>68,833,290</b>	<b>73.34</b>	<b>(0.21)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	54,534	-	54,534	0.06	-	-	-	-	(0.06)
b) Banks / FI	70,540	-	70,540	0.08	100,324	-	100,324	0.11	0.03
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	6,113,741	-	6,113,741	6.53	659,622	-	659,622	0.70	(5.83)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investors Corporate	4,503,466	-	4,503,466	4.81	9,607,937	-	9,607,937	10.24	5.43
<b>Sub-total (B)(1):-</b>	<b>10,742,281</b>	<b>-</b>	<b>10,742,281</b>	<b>11.48</b>	<b>10,367,883</b>	<b>-</b>	<b>10,367,883</b>	<b>11.05</b>	<b>(0.43)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	2,858,702	-	2,858,702	3.05	2,859,343	-	2,859,343	3.05	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	6,777,500	3	6,777,503	7.24	5,078,494	3	5,078,497	5.41	(1.83)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,093,523	-	2,093,523	2.24	2,866,612	-	2,866,612	3.05	0.81
c) Others (specify)									
Non Resident Indians (Repat)	338,831	-	338,831	0.36	194,437	-	194,437	0.21	(0.15)
Non Resident Indians (Non Repat)	215,915	-	215,915	0.23	203,708	-	203,708	0.22	(0.01)
Clearing Member	1,436,617	-	1,436,617	1.54	3,098,600	-	3,098,600	3.30	1.76
Hindu Undivided Family	292,502	-	292,502	0.31	356,187	-	356,187	0.38	0.07
Trusts	-	-	-	-	160	-	160	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>14,013,590</b>	<b>3</b>	<b>14,013,593</b>	<b>14.97</b>	<b>14,657,541</b>	<b>3</b>	<b>14,657,544</b>	<b>15.62</b>	<b>0.65</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>24,755,871</b>	<b>3</b>	<b>24,755,874</b>	<b>26.45</b>	<b>25,025,424</b>	<b>3</b>	<b>25,025,427</b>	<b>26.66</b>	<b>0.21</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>93,589,161</b>	<b>3</b>	<b>93,589,164</b>	<b>100.00</b>	<b>93,858,714</b>	<b>3</b>	<b>93,858,717</b>	<b>100</b>	<b>-</b>

## Annexure G (Contd.)

## ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 1 April, 2016			Shareholding at the end of the year i.e. 31 March, 2017			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Arjan Gobindram Lulla	1,400	0.00	0	1,400	0.00	0	0
2	Eros Worldwide FZ LLC	47,126,290	50.35	0	47,126,290	50.21	4.67	(0.14)
3	Eros Digital Private Limited	21,700,000	23.19	0	21,700,000	23.12	0	(0.07)
4	Krishika Sunil Lulla	1,400	0.00	0	1,400	0.00	0	0
5	Meena Arjan Lulla	2,800	0.00	0	2,800	0.00	0	0
6	Sunil Arjan Lulla	1,400	0.00	0	1,400	0.00	0	0

Note: Eros Worldwide FZ LLC pledged 4,380,000 equity shares as on 31 March, 2017. Out of total shares pledged, 1,500,000 equity shares are transferred by way of pledge to pool account of the Lender, who hold the shares on behalf of Eros Worldwide FZ LLC.

## iii. Change in Promoters' Shareholding

Sr. No.		Shareholding		Cumulative Shareholding during the year	
		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	73.55	68,833,290	73.55
	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	73.34	68,833,290	73.34

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

Sr. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the year 01 April, 2016		Cumulative Shareholding during the year 31 March, 2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Government Pension Fund Global	2,160,000	2.30		
	Add: 15 Apr 2016 Market Buy	90,000	0.10	2,250,000	2.40
	Add: 22 Apr 2016 Market Buy	30,000	0.03	2,280,000	2.43
	Less: 06 May 2016 Market Sale	(50,000)	(0.05)	2,230,000	2.38
	Less: 14 Oct 2016 Market Sale	(22,000)	(0.02)	2,208,000	2.35
	Less: 18 Nov 2016 Market Sale	(28,000)	(0.03)	2,180,000	2.32
	Less: 24 Mar 2017 Market Sale	(80,000)	(0.09)	2,100,000	2.24
	Less: 31 Mar 2017 Market Sale	(360,000)	(0.38)	1,740,000	1.85
	At the end of the year (or on the date of separation, if separated during the year)	-	-	1,740,000	1.85
2	National Westminster Bank Plc as Trustee of The Jupiter India Fund	796,340	0.85		
	Add: 21 Oct 2016 Market Buy	94,721	0.10	891,061	0.95
	Add: 27 Jan 2017 Market Buy	79,258	0.08	970,319	1.03
	Add: 03 Feb 2017 Market Buy	71,504	0.08	1,041,823	1.11
	Add: 31 Mar 2017 Market Buy	26,831	0.03	1,068,654	1.14
	At the end of the year (or on the date of separation, if separated during the year)			1,068,654	1.14



Sr. No.	For each of the top 10 Shareholders			Shareholding at the beginning of the year 01 April, 2016		Cumulative Shareholding during the year 31 March, 2017	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Morgan Stanley Mauritius Company Limited			0	0.00		
	Add:	05 Aug 2016	Market Buy	23,424	0.02	23,424	0.03
	Add:	19 Aug 2016	Market Buy	11,532	0.01	34,956	0.04
	Add:	26 Aug 2016	Market Buy	15,979	0.02	50,935	0.05
	Add:	16 Sep 2016	Market Buy	39,202	0.04	90,137	0.10
	Add:	21 Oct 2016	Market Buy	30,000	0.03	120,137	0.13
	Add:	11 Nov 2016	Market Buy	17,955	0.02	138,092	0.15
	Add:	18 Nov 2016	Market Buy	15,045	0.02	153,137	0.16
	Add:	25 Nov 2016	Market Buy	18,043	0.02	171,180	0.18
	Add:	02 Dec 2016	Market Buy	22,803	0.02	193,983	0.21
	Add:	09 Dec 2016	Market Buy	13,208	0.01	207,191	0.22
	Add:	16 Dec 2016	Market Buy	22,669	0.02	229,860	0.24
	Add:	23 Dec 2016	Market Buy	2,168	0.00	232,028	0.25
	Add:	30 Dec 2016	Market Buy	2,655	0.00	234,683	0.25
	Add:	06 Jan 2017	Market Buy	9,230	0.01	243,913	0.26
	Add:	13 Jan 2017	Market Buy	3,592	0.00	247,505	0.26
	Less:	27 Jan 2017	Market Sale	(91,026)	(0.10)	156,479	0.17
	Less:	03 Feb 2017	Market Sale	(78,663)	(0.08)	77,816	0.08
	Add:	10 Feb 2017	Market Buy	17,174	0.02	94,990	0.10
	Less:	17 Feb 2017	Market Sale	(3,895)	(0.00)	91,095	0.10
	Add:	24 Feb 2017	Market Buy	16,642	0.02	107,737	0.11
	Add:	03 Mar 2017	Market Buy	14,128	0.02	121,865	0.13
	Add:	10 Mar 2017	Market Buy	317,610	0.34	439,475	0.47
	Add:	17 Mar 2017	Market Buy	333,447	0.36	772,922	0.82
	Add:	24 Mar 2017	Market Buy	13,836	0.01	786,758	0.84
	Add:	31 Mar 2017	Market Buy	30,865	0.03	817,623	0.87
	At the end of the year (or on the date of separation, if separated during the year)			-	-	817,623	0.87
4	Shilpa Stock Broker Pvt Ltd			1,238,898	1.32		
	Less:	01 Apr 2016	Market Sale	(13,677)	(0.01)	1,225,221	1.31
	Add:	08 Apr 2016	Market Buy	144,080	0.15	1,369,301	1.46
	Less:	15 Apr 2016	Market Sale	(21,839)	(0.02)	1,347,462	1.44
	Less:	22 Apr 2016	Market Sale	(14,892)	(0.02)	1,332,570	1.42
	Add:	29 Apr 2016	Market Buy	15,839	0.02	1,348,409	1.44
	Less:	06 May 2016	Market Sale	(76,519)	(0.08)	1,271,890	1.36
	Add:	13 May 2016	Market Buy	9,879	0.01	1,281,769	1.37
	Add:	20 May 2016	Market Buy	12,780	0.01	1,294,549	1.38
	Add:	27 May 2016	Market Buy	39,995	0.04	1,334,544	1.42
	Less:	03 Jun 2016	Market Sale	(107,826)	(0.11)	1,226,718	1.31
	Add:	10 Jun 2016	Market Buy	1,986	0.00	1,228,704	1.31
	Less:	17 Jun 2016	Market Sale	(97,455)	(0.10)	1,131,249	1.21
	Less:	24 Jun 2016	Market Sale	(8,648)	(0.01)	1,122,601	1.20
	Less:	30 Jun 2016	Market Sale	(79,609)	(0.08)	1,042,992	1.11
	Less:	01 Jul 2016	Market Sale	(1,700)	(0.00)	1,041,292	1.11
	Add:	08 Jul 2016	Market Buy	1,986	0.00	1,043,278	1.11
	Add:	15 Jul 2016	Market Buy	264,273	0.28	1,307,551	1.39
	Less:	22 Jul 2016	Market Sale	(173,342)	(0.18)	1,134,209	1.21

## Annexure G (Contd.)

Sr. No.	For each of the top 10 Shareholders			Shareholding at the beginning of the year 01 April, 2016		Cumulative Shareholding during the year 31 March, 2017	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Add:	29 Jul 2016	Market Buy	7,154	0.01	1,141,363	1.22
	Less:	05 Aug 2016	Market Sale	(86,018)	(0.09)	1,055,345	1.12
	Less:	12 Aug 2016	Market Sale	(20,347)	(0.02)	1,034,998	1.10
	Add:	19 Aug 2016	Market Buy	38,186	0.04	1,073,184	1.14
	Add:	26 Aug 2016	Market Buy	23,883	0.03	1,097,067	1.17
	Add:	02 Sep 2016	Market Buy	43,648	0.05	1,140,715	1.22
	Add:	09 Sep 2016	Market Buy	8,797	0.01	1,149,512	1.22
	Less:	16 Sep 2016	Market Sale	(90,266)	(0.10)	1,059,246	1.13
	Less:	23 Sep 2016	Market Sale	(58,642)	(0.06)	1,000,604	1.07
	Add:	30 Sep 2016	Market Buy	178,537	0.19	1,179,141	1.26
	Less:	07 Oct 2016	Market Sale	(480)	(0.00)	1,178,661	1.26
	Less:	14 Oct 2016	Market Sale	(31,461)	(0.03)	1,147,200	1.22
	Add:	21 Oct 2016	Market Buy	4,628	0.00	1,151,828	1.23
	Less:	28 Oct 2016	Market Sale	(72,205)	(0.08)	1,079,623	1.15
	Add:	04 Nov 2016	Market Buy	22,429	0.02	1,102,052	1.17
	Less:	11 Nov 2016	Market Sale	(9,203)	(0.01)	1,092,849	1.16
	Less:	18 Nov 2016	Market Sale	(33,142)	(0.04)	1,059,707	1.13
	Add:	25 Nov 2016	Market Buy	53,359	0.06	1,113,066	1.19
	Add:	02 Dec 2016	Market Buy	2,255	0.00	1,115,321	1.19
	Less:	09 Dec 2016	Market Sale	(83,202)	(0.09)	1,032,119	1.10
	Add:	16 Dec 2016	Market Buy	217,952	0.23	1,250,071	1.33
	Less:	23 Dec 2016	Market Sale	(16,134)	(0.02)	1,233,937	1.31
	Add:	30 Dec 2016	Market Buy	882	0.00	1,234,819	1.32
	Less:	06 Jan 2017	Market Sale	(89,676)	(0.10)	1,145,143	1.22
	Less:	13 Jan 2017	Market Sale	(48,305)	(0.05)	1,096,838	1.17
	Less:	20 Jan 2017	Market Sale	(26,791)	(0.03)	1,070,047	1.14
	Less:	27 Jan 2017	Market Sale	(12,925)	(0.01)	1,057,122	1.13
	Less:	03 Feb 2017	Market Sale	(36,034)	(0.04)	1,021,088	1.09
	Less:	10 Feb 2017	Market Sale	(72,739)	(0.08)	948,349	1.01
	Add:	17 Feb 2017	Market Buy	25,398	0.03	973,747	1.04
	Less:	24 Feb 2017	Market Sale	(40,289)	(0.04)	933,458	0.99
	Less:	03 Mar 2017	Market Sale	(84,176)	(0.09)	849,282	0.90
	Less:	10 Mar 2017	Market Sale	(40,386)	(0.04)	808,896	0.86
	Less:	17 Mar 2017	Market Sale	(77,369)	(0.08)	731,527	0.78
	Less:	24 Mar 2017	Market Sale	(47,423)	(0.05)	684,104	0.73
	Add:	31 Mar 2017	Market Buy	56,048	0.06	740,152	0.79
	At the end of the year (or on the date of separation, if separated during the year)			-	-	740,152	0.79
5	Mukul Agrawal			0	0.00		
	Add:	24 Jun 2016	Market Buy	5,000	0.01	5,000	0.01
	Add:	06 Jan 2017	Market Buy	421	0.00	5,421	0.01
	Add:	13 Jan 2017	Market Buy	61,102	0.07	66,523	0.07
	Add:	20 Jan 2017	Market Buy	33,477	0.04	100,000	0.11
	Add:	10 Feb 2017	Market Buy	30,000	0.03	130,000	0.14
	Add:	17 Feb 2017	Market Buy	50,000	0.05	180,000	0.19

Sr. No.	For each of the top 10 Shareholders			Shareholding at the beginning of the year 01 April, 2016		Cumulative Shareholding during the year 31 March, 2017	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Add:	24 Feb 2017	Market Buy	100,000	0.11	280,000	0.30
	Less:	10 Mar 2017	Market Sale	(240,000)	(0.26)	40,000	0.04
	Add:	24 Mar 2017	Market Buy	510,000	0.54	550,000	0.59
	At the end of the year (or on the date of separation, if separated during the year)			-	-	550,000	0.59
6	<b>Danske Invest SICAV-SIF- Emerging and Frontier Markets SMID</b>			636,300	0.68		
	Less:	21 Oct 2016	Market Sale	(15,000)	(0.02)	621,300	0.66
	Less:	31 Mar 2017	Market Sale	(109,400)	(0.12)	511,900	0.55
	At the end of the year (or on the date of separation, if separated during the year)			-	-	511,900	0.55
7	<b>Dimensional Emerging Markets Value Fund</b>			427,986	0.46		
	Add:	29 Jul 2016	Market Buy	20,491	0.02	448,477	0.48
	Add:	05 Aug 2016	Market Buy	18,545	0.02	467,022	0.50
	Add:	16 Sep 2016	Market Buy	5,260	0.01	472,282	0.50
	Less:	24 Mar 2017	Market Sale	(20,053)	(0.02)	452,229	0.48
	At the end of the year (or on the date of separation, if separated during the year)			-	-	452,229	0.48
8	<b>Maverick Share Brokers Limited - Client Beneficiary A/C</b>			3,097	0.00		
	Add:	08 Apr 2016	Market Buy	1,810	0.00	4,907	0.01
	Less:	15 Apr 2016	Market Sale	(1,440)	(0.00)	3,467	0.00
	Add:	22 Apr 2016	Market Buy	320	0.00	3,787	0.00
	Less:	29 Apr 2016	Market Sale	(125)	(0.00)	3,662	0.00
	Less:	06 May 2016	Market Sale	(350)	(0.00)	3,312	0.00
	Less:	13 May 2016	Market Sale	(645)	(0.00)	2,667	0.00
	Add:	20 May 2016	Market Buy	545	0.00	3,212	0.00
	Add:	27 May 2016	Market Buy	315	0.00	3,527	0.00
	Less:	03 Jun 2016	Market Sale	(300)	(0.00)	3,227	0.00
	Add:	10 Jun 2016	Market Buy	875	0.00	4,102	0.00
	Less:	17 Jun 2016	Market Sale	(315)	(0.00)	3,787	0.00
	Add:	24 Jun 2016	Market Buy	970	0.00	4,757	0.01
	Less:	30 Jun 2016	Market Sale	(110)	(0.00)	4,647	0.01
	Add:	01 Jul 2016	Market Buy	1411	0.00	6,058	0.01
	Add:	08 Jul 2016	Market Buy	49	0.00	6,107	0.01
	Less:	15 Jul 2016	Market Sale	(1,525)	(0.00)	4,582	0.00
	Less:	22 Jul 2016	Market Sale	(3,092)	(0.00)	1,490	0.00
	Less:	29 Jul 2016	Market Sale	(1,338)	(0.00)	152	0.00
	Less:	05 Aug 2016	Market Sale	(101)	(0.00)	51	0.00
	Add:	12 Aug 2016	Market Buy	494	0.00	545	0.00
	Add:	19 Aug 2016	Market Buy	580	0.00	1125	0.00
	Less:	26 Aug 2016	Market Sale	(550)	(0.00)	575	0.00
	Less:	02 Sep 2016	Market Sale	(13)	(0.00)	562	0.00
	Less:	09 Sep 2016	Market Sale	(90)	(0.00)	472	0.00
	Add:	16 Sep 2016	Market Buy	30	0.00	502	0.00
	Add:	23 Sep 2016	Market Buy	34	0.00	536	0.00
	Add:	30 Sep 2016	Market Buy	418	0.00	954	0.00

## Annexure G (Contd.)

Sr. No.	For each of the top 10 Shareholders			Shareholding at the beginning of the year 01 April, 2016		Cumulative Shareholding during the year 31 March, 2017	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Add:	07 Oct 2016	Market Buy	327	0.00	1,281	0.00
	Add:	14 Oct 2016	Market Buy	820	0.00	2,101	0.00
	Add:	21 Oct 2016	Market Buy	300	0.00	2,401	0.00
	Less:	28 Oct 2016	Market Sale	(91)	(0.00)	2,310	0.00
	Add:	04 Nov 2016	Market Buy	100	0.00	2,410	0.00
	Add:	11 Nov 2016	Market Buy	191	0.00	2,601	0.00
	Less:	18 Nov 2016	Market Sale	(1,780)	(0.00)	821	0.00
	Add:	25 Nov 2016	Market Buy	100	0.00	921	0.00
	Less:	09 Dec 2016	Market Sale	(200)	(0.00)	721	0.00
	Add:	16 Dec 2016	Market Buy	69	0.00	790	0.00
	Less:	23 Dec 2016	Market Sale	(600)	(0.00)	190	0.00
	Less:	30 Dec 2016	Market Sale	(100)	(0.00)	90	0.00
	Add:	31 Dec 2016	Market Buy	8,400	0.01	8,490	0.01
	Less:	06 Jan 2017	Market Sale	(6,100)	(0.01)	2,390	0.00
	Add:	13 Jan 2017	Market Buy	75	0.00	2,465	0.00
	Add:	20 Jan 2017	Market Buy	25	0.00	2,490	0.00
	Add:	27 Jan 2017	Market Buy	200	0.00	2,690	0.00
	Add:	03 Feb 2017	Market Buy	504	0.00	3,194	0.00
	Add:	10 Feb 2017	Market Buy	1,271	0.00	4,465	0.00
	Less:	17 Feb 2017	Market Sale	(3,295)	(0.00)	1,170	0.00
	Add:	24 Feb 2017	Market Buy	2,505	0.00	3,675	0.00
	Less:	03 Mar 2017	Market Sale	(51)	(0.00)	3,624	0.00
	Add:	10 Mar 2017	Market Buy	8,300	0.01	11,924	0.01
	Less:	17 Mar 2017	Market Sale	(4,793)	(0.01)	7131	0.01
	Add:	24 Mar 2017	Market Buy	223,469	0.24	230,600	0.25
	Add:	31 Mar 2017	Market Buy	208,487	0.22	439,087	0.47
	At the end of the year (or on the date of separation, if separated during the year)			-	-	439,087	0.47
9	Goldman Sachs (Singapore) Pte			445,546	0.47		
	Less:	08 Apr 2016	Market Sale	(149,808)	(0.16)	295,738	0.32
	Less:	15 Apr 2016	Market Sale	(134,034)	(0.14)	161,704	0.17
	Less:	22 Apr 2016	Market Sale	(98,176)	(0.10)	63,528	0.07
	Less:	29 Apr 2016	Market Sale	(56,330)	(0.06)	7,198	0.01
	Less:	20 May 2016	Market Sale	(226)	(0.00)	6,972	0.01
	Add:	03 Jun 2016	Market Buy	107,389	0.11	114,361	0.12
	Add:	10 Jun 2016	Market Buy	53,976	0.06	168,337	0.18
	Add:	30 Jun 2016	Market Buy	26,792	0.03	195,129	0.21
	Add:	01 Jul 2016	Market Buy	39	0.00	195,168	0.21
	Add:	08 Jul 2016	Market Buy	71,677	0.08	266,845	0.28
	Add:	15 Jul 2016	Market Buy	89,472	0.10	356,317	0.38
	Less:	22 Jul 2016	Market Sale	(17,916)	(0.02)	338,401	0.36
	Less:	29 Jul 2016	Market Sale	(4,479)	(0.00)	333,922	0.36
	Add:	05 Aug 2016	Market Buy	9,419	0.01	343,341	0.37
	Less:	12 Aug 2016	Market Sale	(885)	(0.00)	342,456	0.36
	Add:	19 Aug 2016	Market Buy	36,579	0.04	379,035	0.40



Sr. No.	For each of the top 10 Shareholders			Shareholding at the beginning of the year 01 April, 2016		Cumulative Shareholding during the year 31 March, 2017	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Add:	26 Aug 2016	Market Buy	59,480	0.06	438,515	0.47
	Less:	09 Sep 2016	Market Sale	(42,865)	(0.05)	395,650	0.42
	Less:	16 Sep 2016	Market Sale	(27,139)	(0.03)	368,511	0.39
	Less:	30 Sep 2016	Market Sale	(25,343)	(0.03)	343,168	0.37
	Less:	07 Oct 2016	Market Sale	(51,169)	(0.05)	291,999	0.31
	Less:	14 Oct 2016	Market Sale	(22,273)	(0.02)	269,726	0.29
	Less:	28 Oct 2016	Market Sale	(3,643)	(0.00)	266,083	0.28
	Less:	04 Nov 2016	Market Sale	(3,431)	(0.00)	262,652	0.28
	Add:	25 Nov 2016	Market Buy	101408	0.11	364,060	0.39
	Add:	02 Dec 2016	Market Buy	100,683	0.11	464,743	0.50
	Add:	09 Dec 2016	Market Buy	54,647	0.06	519,390	0.55
	Add:	16 Dec 2016	Market Buy	90,455	0.10	609,845	0.65
	Add:	23 Dec 2016	Market Buy	9,266	0.01	619,111	0.66
	Add:	30 Dec 2016	Market Buy	20,609	0.02	639,720	0.68
	Add:	06 Jan 2017	Market Buy	28,344	0.03	668,064	0.71
	Less:	13 Jan 2017	Market Sale	(22,970)	(0.02)	645,094	0.69
	Less:	20 Jan 2017	Market Sale	(14,194)	(0.02)	630,900	0.67
	Add:	03 Feb 2017	Market Buy	3,187	0.00	634,087	0.68
	Less:	10 Feb 2017	Market Sale	(33,767)	(0.04)	600,320	0.64
	Less:	17 Feb 2017	Market Sale	(65,990)	(0.07)	534,330	0.57
	Less:	24 Feb 2017	Market Sale	(6,091)	(0.01)	528,239	0.56
	Less:	03 Mar 2017	Market Sale	(33,206)	(0.04)	495,033	0.53
	Less:	10 Mar 2017	Market Sale	(4,542)	(0.00)	490,491	0.52
	Less:	24 Mar 2017	Market Sale	(60,488)	(0.06)	430,003	0.46
	Less:	31 Mar 2017	Market Sale	(1,259)	(0.00)	428,744	0.46
	At the end of the year (or on the date of separation, if separated during the year)			-		428,744	0.46
10	Mahaveer Bhandari			448,137	0.48		
	Less:	28 Oct 2016	Market Sale	(150,000)	(0.16)	298,137	0.32
	Less:	24 Feb 2017	Market Sale	(13,000)	(0.01)	285,137	0.30
	Add:	17 Mar 2017	Market Buy	3,000	0.00	288,137	0.31
	At the end of the year (or on the date of separation, if separated during the year)			-	-	288,137	0.31

## Annexure G (Contd.)

## 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
1	<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
2	<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
3	<b>Mr. Rakesh Sood - Independent Director</b>	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0
4	<b>Mr. Sunil Lulla - Director &amp; Key Managerial Personnel</b>	1,400	0	1,400	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	1,400	0	1,400	0
5	<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
6	<b>Ms. Jyoti Deshpande - Executive Director</b>	142,790	0.15	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):	-	-	-	-
	At the end of the year	142,790	0.15	142,790	0.15
7	<b>Mr. Vijay Ahuja - Non Executive &amp; 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
8	<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
9	<b>Ms. Dimple Mehta - Key Managerial Personnel</b>	2,194	0	2,194	0
	Add: 23 November, 2016 (Exercise of shares granted under ESOP)	3,194	0	5,388	0
	Add: 21 February, 2017 (Exercise of shares granted under ESOP)	4,472	0	9,860	0
	Less: 8 March, 2017 (Exercise of shares granted under ESOP)	(5,860)	0	4,000	0
	At the end of the year	4,000	0	4,000	0

## V. INDEBTEDNESS

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

(Amt. in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,060,972,570	100,000,000	300,000	4,161,272,570
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	12,227,430	0	0	12,227,430
<b>Total (i+ii+iii)</b>	<b>4,073,200,000</b>	<b>100,000,000</b>	<b>300,000</b>	<b>4,173,500,000</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	7,686,681,066	461,559,448	0	8,148,240,514
Reduction	(5,228,616,591)	(100,000,000)	(200,000)	(5,328,816,591)
<b>Net Change</b>	<b>2,458,064,475</b>	<b>361,559,448</b>	<b>(200,000)</b>	<b>2,819,432,923</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6,493,084,591	461,559,448	100,000	6,954,744,039
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	38,179,884	0	0	38,179,884
<b>Total (i+ii+iii)</b>	<b>6,531,264,475</b>	<b>461,559,448</b>	<b>100,000</b>	<b>6,992,923,923</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amt in ₹)

Sr. No.	Particulars of Remuneration	Name of Managing Director Mr. Sunil Lulla
1	Gross salary	
	(a) Salary as per provisions contained in section 17(l) of the Income-tax Act, 1961	38,652,240
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,239,600
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0
2	Stock Option	0
3	Sweat Equity	0
4	Commission -as % of profit	0
	- others, Specify	0
5	Others, please specify(Bonus)	6,442,040
	<b>Total (A)</b>	<b>46,333,880</b>
	Ceiling as per the Act	118,470,340

### 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	720,000
		Mr. Dharendra Swarup	720,000
		Mr. Rakesh Sood	720,000
	● Commission	Mr. Naresh Chandra	4,975,000
		Mr. Dharendra Swarup	2,487,500
		Mr. Rakesh Sood	2,487,500
	● Others (Reimbursement of maintenance of Chairman's office and expenses incurred towards performance of duties as Chairman)	Mr. Naresh Chandra	422,300
	<b>Total (1)</b>		
2.	<b>Other Non-Executive Non Independent Directors</b>	Mr. Vijay Ahuja *	
	● Fees for attending Board/Committee meetings		0
	● Commission		0
	● Others, please specify		0
	<b>Total (2)</b>		0
	<b>Total (B) = (1)+(2)</b>		<b>12,532,300</b>
	<b>Total Managerial Remuneration</b>	<b>A+B</b>	<b>58,866,180</b>
	Overall ceiling as per the Act		236,940,680

## Annexure G (Contd.)

\* Retired by rotation w.e.f. 29 September, 2016

## c. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary & Compliance Officer	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,200,000	3,411,808	11,611,808
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify - perquisites for stock options - Bonus	412,500 687,500	1,321,403 275,000	1,733,903 962,500
	<b>Total</b>	<b>9,300,000</b>	<b>5,008,211</b>	<b>14,308,211</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

### Corporate Social Responsibility

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. Besides this, the Company may also undertake other CSR activities listed in Schedule VII of the Companies Act, 2013.														
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 "CARE INDIA Solutions for Sustainable Development", the registered NGOs, details of which are as follows:</p> <p>a. Arpan focus on Personal Safety Education Programme for dealing with child sexual abuse. It also focuses on creating awareness and skill enhancement of adults like parents, teachers and institutional caretakers who are primary stakeholders and caregivers in child's life. With the CSR contribution by the Company, Arpan educated 601 children, 441 parents, 39 teachers, and 9 support staff on personal safety in Thane district, Mumbai.</p> <p>b. The Company participated with "CARE INDIA Solutions for Sustainable Development", the registered NGO, in the year 2015 - 16 for Project "Improving Maternal Health through engaging family and community" to empower women from marginalized communities to improve maternal health by engaging spouse, family and community (majority Dalits) in selected districts of Uttar Pradesh (UP). However, the said amount was not utilized in the last financial year and accordingly not accounted by the Company in the last financial year for which necessary disclosures were made in the Annual Report.</p> <p>In the year 2016 - 2017, CARE INDIA made a CSR spend in Barabanki district of Uttar Pradesh covering the Health &amp; Education sector mainly towards educating the family and community for improving maternal health. As the spend was made in this financial year, it has been taken into consideration for this financial year.</p>														
3.	Reference to the web-link to the CSR policy and projects or programs:	The details of CSR are also uploaded on the website at <a href="http://www.erosintl.com">www.erosintl.com</a>														
4.	Composition of the CSR Committee.	<b>Members of the Committee</b> <ul style="list-style-type: none"><li>● Mr. Naresh Chandra [Non-Executive Independent Director] (Chairman)</li><li>● Ms. Jyoti Deshpande [Executive Director]</li><li>● Mr. Kishore Lulla [Executive Director]</li><li>● Mr. Sunil Lulla [Executive Director]</li></ul>														
5.	Average net profit of the company for last three financial years	<table><tr><th colspan="2">Net Profit before Tax</th></tr><tr><th>Particulars</th><th>₹ in Cr</th></tr><tr><td>2015-16</td><td>199.24</td></tr><tr><td>2014-15</td><td>236.38</td></tr><tr><td>2013-14</td><td>204.75</td></tr><tr><td>Average NPBT</td><td>213.46</td></tr><tr><td>2% of Average NPBT</td><td>4.27</td></tr></table>	Net Profit before Tax		Particulars	₹ in Cr	2015-16	199.24	2014-15	236.38	2013-14	204.75	Average NPBT	213.46	2% of Average NPBT	4.27
Net Profit before Tax																
Particulars	₹ in Cr															
2015-16	199.24															
2014-15	236.38															
2013-14	204.75															
Average NPBT	213.46															
2% of Average NPBT	4.27															
6.	Prescribed CSR Expenditure (two per cent of the amount as in item 5 above)	₹ 4.27 Crores														
7.	Details of CSR spent during the financial year															
a.	Total amount spent in FY 2016-2017	<table><tr><td>1.</td><td>NGO - Arpan - ₹ 10 lakhs</td></tr><tr><td>2.</td><td>NGO -CARE INDIA Solutions for Sustainable Development - ₹ 10 lakhs</td></tr><tr><td></td><td>Total - ₹ 20 lakhs</td></tr></table>	1.	NGO - Arpan - ₹ 10 lakhs	2.	NGO -CARE INDIA Solutions for Sustainable Development - ₹ 10 lakhs		Total - ₹ 20 lakhs								
1.	NGO - Arpan - ₹ 10 lakhs															
2.	NGO -CARE INDIA Solutions for Sustainable Development - ₹ 10 lakhs															
	Total - ₹ 20 lakhs															
b.	Amount unspent, if any;	Unspent CSR amount is ₹ 4.07 crores in FY 2016 - 2017														

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

1	2	3	4	5	6	7	8
S. 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	Personal Safety Education Programme in Schools	Education	Mumbai, Thane in Maharashtra	₹ 1,000,000	Direct expenditure on program. Minimal overheads (>10% of overall budget)	₹ 1,000,000	Implementing agency - ARPAN NGO Registered under Section 8 of the Indian Companies Act.
2	CSR Contribution for maternal and neo natal health project	Health	Block –Deva District – Barabanki, Uttar Pradesh	₹ 1,000,000	Direct expenditure on projects or programs: ₹ 925,760/- Overheads: ₹ 74,240/-	₹ 2,000,000	Implementing agency – CARE India Solutions for Sustainable Development 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
- The Company was required to spend a sum of ₹ 4.27 crores in the financial year 2016-2017, being 2% of average net profit of last three years. However, the Company during the financial year 2016-17 has spent ₹ 20 lakhs towards its CSR expenses by way of contribution to NGO "Arpan" and NGO "CARE INDIA Solutions for Sustainable Development".
- The Company is in the process of identifying the right charitable institutes to be associated with and therefore, in the current financial year there was a short spent of ₹ 4.07 crores towards the CSR activities.

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

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

**Mr. Sunil Lulla**

DIN: 00243191

Member of CSR Committee & Executive Vice  
Chairman & Managing Director

**Mr. Naresh Chandra**

DIN: 00015833

Chairman of CSR Committee

**Ms. Jyoti Deshpande**

DIN: 02303283

Member of CSR Committee

Place : New Delhi

Date : 26 May, 2017

## Annexure I Business Responsibility Report

### Introduction:

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31 March, 2017, pursuant to Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This report demonstrates the Company's commitment towards sustainability as a business imperative. It also reflects the Company's effort to align the policies and processes to build sustainable film business.

Eros is engaged in creating content for consumers across varied subjects and geographies which enable the Company

to deliver sustainable and attractive returns for its stakeholders. Entertainment industry is dynamic and the viewer preferences changes more rapidly. To keep up with the pace, Eros endeavours to align its business strategy and create value for all its stakeholders.

In pursuance of the Eros International's commitment to responsible business, the Company has aligned its policies and guidelines with the principles articulated under the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business notified by the Ministry of Corporate Affairs, Government of India. The Business Responsibility Report can also be accessed on the Company's website - [www.erosintl.com](http://www.erosintl.com)

### National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business

<b>01 PRINCIPLE</b>  <b>ETHICS, TRANSPARENCY AND ACCOUNTABILITY</b> Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	<b>02 PRINCIPLE</b>  <b>PRODUCTS LIFE CYCLE SUSTAINABILITY</b> Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	<b>03 PRINCIPLE</b>  <b>EMPLOYEES' WELL-BEING</b> Businesses should promote the wellbeing of all employees
<b>04 PRINCIPLE</b>  <b>STAKEHOLDER'S ENGAGEMENT</b> Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	<b>05 PRINCIPLE</b>  <b>HUMAN RIGHTS</b> Businesses should respect and promote human rights	<b>06 PRINCIPLE</b>  <b>ENVIRONMENT</b> Businesses should respect, protect and make efforts to restore the environment
<b>07 PRINCIPLE</b>  <b>POLICY ADVOCACY</b> Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	<b>08 PRINCIPLE</b>  <b>INCLUSIVE GROWTH</b> Businesses should support inclusive growth and equitable development	<b>09 PRINCIPLE</b>  <b>CUSTOMER VALUE</b> Businesses should engage with and provide value to their customers and consumers in a responsible manner

## Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L99999MH1994PLC080502
2. **Name of the Company:** Eros International Media Limited
3. **Registered Address:** 201, Kailash Plaza Opp. Laxmi Industrial Estate Off. Andheri Link Road, Andheri (W), Mumbai – 400 053
4. **Website:** www.erosintl.com
5. **E-mail id:** compliance.officer@erosintl.com
6. **Financial Year Reported:** 1 April, 2016 to 31 March, 2017
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** Media and Entertainment Industry

Industrial Group	Description
9996	Motion picture, video and television programme production, sound recording and music publishing activities.

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**  
The Company is engaged in various activities like co-production, acquisition and distribution of Indian language films in multiple formats worldwide.
9. **Total number of locations where business activity is undertaken by the Company:**
  - i. Number of International Locations: Nil
  - ii. Number of National Locations: The Company has offices located at namely Mumbai, Delhi, Jalandhar, Bangalore, Kolkata, Patna, Chennai and Kochi.
10. **Markets served by the Company – local/state/national/international:** The Company is engaged in serving the millions of national and International viewers through film releases in more than 48 countries.

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

1. **Paid-up capital (INR):** INR 938,587,170
2. **Total turnover (INR):** INR 114,618 (₹ in Lakhs)
3. **Total profit after taxes (INR):** INR 13,039 (₹ in Lakhs)

4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 0.08% of the average net profits of last three years in respect of standalone financial statement

5. **List of activities in which the Corporate Social Responsibility (CSR) expenditures have been incurred:**  
The major areas in which the CSR expenditure has been incurred include:

- a. Women Empowerment
- b. Promotion of education amongst the underprivileged
- c. Sustainable Development
- d. Personal Safety Education in Schools

\* As per the Standalone Ind AS financials

## Section C: Other Details

1. **Subsidiary company/companies**  
As on 31 March, 2017, the Company has 15 subsidiaries, companies as per details given in Annexure A to Consolidated Financial Statements.
2. **Participation of subsidiary company/companies in the BR Initiatives of the parent company**  
Business Responsibility initiatives of the parent company are not applicable to the subsidiary companies.
3. **Participation and percentage of participation of other entity/entities (e.g. suppliers and distributors, among others) that the Company does business with, in the BR initiatives of the Company.**  
None of the entity / entities with whom Company does business participates in the BR initiatives of the Company.

## Section D: BR Information

1. **Details of Director/Directors responsible for BR**
  - a) **Details of the Director/Director responsible for the implementation of the BR policy/policies**  
Implementation of BR policies is the responsibility of the Corporate Social Responsibility Committee ("CSR Committee") of the Board of Directors.

Members of the CSR Committee comprises of:

DIN	Name	Designation
00015833	Mr. Naresh Chandra	Chairman & Non-Executive Independent Director
00243191	Mr. Sunil Lulla	Executive Vice Chairman & Managing Director
02303295	Mr. Kishore Lulla	Executive Director
02303283	Ms. Jyoti Deshpande	Executive Director

b) Details of the BR head

DIN Number	Not Applicable
Name	Mr. Dinesh Modi
Designation	Group Chief Financial Officer (India)
Telephone Number	+91 22 66021500
Email id	compliance.officer@erosintl.com

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

### a) Details of Compliance:

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



## Linkage of Business Responsibility Policy

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

Principle No.	NVG Principle	Reference Document
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	<ul style="list-style-type: none"> <li>● Code of Business Conduct and Ethics for Directors, Key Managerial Personnel and Senior Management Personnel</li> <li>● EROS Code of Conduct for Employees</li> <li>● Whistle Blower Policy</li> <li>● Vendor Code of Conduct</li> <li>● Corporate Governance Policy</li> <li>● Policy on Anti-Bribery and Corruption</li> </ul>
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	<ul style="list-style-type: none"> <li>● Vendor Code of Conduct</li> </ul>
3	Businesses should promote the wellbeing of all employees	<ul style="list-style-type: none"> <li>● Board Diversity Policy</li> <li>● Policy on equal work opportunities</li> <li>● Vendor code of Conduct</li> <li>● Policy on exit and termination</li> <li>● Policy on leave</li> <li>● Policy on Performance Appraisal</li> <li>● Policy on Reimbursement</li> <li>● Policy on Safety &amp; Occupational Health</li> <li>● Policy on Training &amp; Development</li> <li>● Policy on Sexual Harassment</li> <li>● Policy on work place security</li> </ul>
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	<ul style="list-style-type: none"> <li>● Code for Independent Directors</li> <li>● Code of Business Conduct and Ethics for Directors, Key Managerial Personnel &amp; Senior Management Personnel</li> <li>● Corporate Social Responsibility Policy</li> </ul>
5	Businesses should respect and promote human rights	<ul style="list-style-type: none"> <li>● Vendor Code of Conduct</li> </ul>
6	Businesses should respect, protect and make efforts to restore the environment	<ul style="list-style-type: none"> <li>● Corporate Social Responsibility Policy</li> <li>● Vendor Code of Conduct</li> </ul>
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	<ul style="list-style-type: none"> <li>● Code of Business Conduct and Ethics for Directors, Key Managerial Personnel and Senior Management Personnel</li> </ul>
8	Businesses should support inclusive growth and equitable development	<ul style="list-style-type: none"> <li>● Corporate Social Responsibility Policy</li> <li>● Code of Business Conduct and Ethics for Directors, Key Managerial Personnel and Senior Management Personnel</li> </ul>
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	<ul style="list-style-type: none"> <li>● Code of Business Conduct and Ethics for Directors, Key Managerial Personnel and Senior Management Personnel</li> </ul>

## Links

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

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

## Code for Independent Directors

<http://www.erosintl.com/wp-content/uploads/2016/10/Code-for-Independent-Directors.pdf>

## Whistle Blower Policy

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

## Vendor Code of Conduct

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

## Corporate Social Responsibility

<http://www.erosintl.com/wp-content/uploads/2016/10/Corporate-Socia-%20Responsibility.pdf>

The below mentioned policies are available on the internal portal of the Company:

- Corporate Governance Policy
- Policy on Anti-Bribery and Corruption

- Board Diversity Policy
- Policy on equal work opportunities
- Policy on exit and termination
- Policy on leave
- Policy on Performance Appraisal
- Policy on Reimbursement
- Policy on Safety & Occupational Health
- Policy on Training & Development
- Policy on Sexual Harassment
- Policy on work place security
- Eros Code of Conduct for Employees

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

### 3. Governance related to BR

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

The CSR Committee and Board of Directors assesses the Company's BR performance every quarter.

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

This is Company's first BR Report published in accordance to Regulation 34 (2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the BR report will be published annually and shall be uploaded on our website ([www.erosintl.com](http://www.erosintl.com)) as a part of the Annual Report.

## Section E: Principle-wise Performance

### PRINCIPLE - 01

#### ETHICS, TRANSPARENCY AND ACCOUNTABILITY

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

At Eros, ethical practices underpin our corporate code of conduct. The Company is committed to maintain the highest standards of corporate governance and adhere

to the applicable legal requirements. To promote highest standards of professionalism, honesty, integrity and ethical behavior, the Company has various policies like Code of Business Conduct and Ethics, Whistle Blower policy, Vendor Code of Conduct, Policy on Anti-Bribery and Corruption in place.

The glimpses of our policies are as follows;

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

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

#### ● Employee Code of conduct:-

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

#### ● Whistle blower policy:-

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

#### ● Policy on anti-bribery and corruption:-

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

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

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

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

## PRINCIPLE - 02

### PRODUCTS LIFE CYCLE SUSTAINABILITY

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

Eros is a leading global company which co-produces, acquires and distributes Indian language films in multiple formats. The Company meticulously follows applicable regulations and guidelines issued by Central Board of Film certification, Ministry of Information and Broadcasting etc. Additionally, the Company also publishes disclaimers to address social and environmental issues as part of the film screenings.

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

The business operation of the Company is of providing service with minimal control over the procedures and practices followed during the film shootings.

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

The sustainability agenda is extended to the suppliers/vendors through the Vendor Code of Conduct. The Vendor code of conduct ensures conformity with the safe working conditions along with prohibition of child labour, forced labour and abiding human rights principles in the supply chain operations. The compliance with the Vendor code of conduct is mandatory for conducting business operations with Eros International.

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

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

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

The business operation of the Company is to provide service, hence it does not discharge any effluents or waste. However, the Company has established various measures to diminish waste generated on day to day basis, some of

them include reducing paper waste, water waste, plastic waste, etc.

E-waste is one of the fastest growing waste segments globally. At Eros, we endeavor to mainstream sound e-waste management across our operations. Hence, we are in a process of placing systems for effective e-waste management. Also, the Corporate office of the Company is located in a green building which on its own has incorporated various sustainability measures.

## PRINCIPLE - 03

### EMPLOYEES' WELL-BEING

- Please indicate the total number of employees:**

The total number of employees are 294 as on 31 March, 2017.

- Please indicate the total number of employees hired on temporary/contractual/casual basis:**

The total number of employees hired on contractual basis are 36 as on 31 March, 2017.

- Please indicate the number of permanent women employees:**

The total number of women employees are 51 as on 31 March, 2017.

- Please indicate number of permanent employee with disabilities:**

Eros has always advocated a business environment that favours the concept of equal opportunity for all without any discrimination with respect to caste, creed, gender, race, religion, disability or sexual orientation. As on 31 March 2017, there is one disable employee recruited by Eros.

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

No employee association exists

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

NA

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

The Company is committed to the labour rights principles provided in the International Labour Organisation core conventions, including eradication of child or forced labour and harassment or intimidation in the workplace. During this financial year, there were no complaints relating to child

labour, forced labour, involuntary labour and discriminatory employment.

The 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 employees at the 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. There were no complaints received for sexual harassment for the FY 2016 - 17.

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

Eros believes that learning and development through structured training programmes enhances the competency level of the employees. The Company periodically performs safety trainings as well as mock drills on fire and safety within the organisation. It also sponsors its employees to attend training sessions conducted by external agencies for safety and skill upgradation. In FY 2016 - 17, Eros has trained its employees on safety and skill upgradation which accounted to 68 man-hours.

**PRINCIPLE - 04**

**STAKEHOLDER'S ENGAGEMENT**

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

The Company has mapped its key internal and external stakeholders in a structured way which include employees, investors, distributors, vendors, partners, customers, government and local communities.

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

Yes, the Company has identified disadvantaged, vulnerable and marginalized stakeholders. These include women and children for which the Company carries out several CSR programs.

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

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

economically marginalized. The Company has taken various initiative for such identified marginalized stakeholders as part of its corporate social responsibility framework. Some of the goal of such initiatives implemented during the reporting year were to empower women from marginalized communities, to improve maternal health by engaging spouse, family and community, to create gender equality and to provide personal safety education programmes in schools. The Company has taken all such initiatives for the upliftment of the identified marginalized stakeholders.

**PRINCIPLE - 05**

**HUMAN RIGHTS**

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

Human rights laws and guidelines are duly respected and followed across the business operations. The Company recognizes its responsibility to respect human rights and it clearly reflects from the policy statement indicated in vendor code of conduct. The human rights policy is applicable to all the stakeholders of Eros International Media Limited. There is policy on sexual harassment which sets out the objective to avoid innocuous behavior within the organisation and is applicable to all the stakeholders.

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

Eros promotes awareness of the importance of human rights within its value chain and discourage instances of any abuse. The Company believes that there must be a mechanism for reporting human rights related grievances anonymously. There were no complaints reported on violation of any human rights during the financial year 2016-17.

**PRINCIPLE - 06**

**ENVIRONMENT**

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

The Company's vendors and suppliers are required to comply with the Health Safety and Environment (HSE) requirements as stated in the Vendor Code of Conduct policy. The policy promotes sustainable usage of resources such as energy and water and considers environment as integral part of production/distribution activities.

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

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

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

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

Yes, the Company has identified the potential environmental risks but it is limited to the office operations.

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

No

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

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

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

Not Applicable

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

There are no pending or unresolved show cause/ legal notices from CPCB/ SPCB in FY 2016-17.

## PRINCIPLE - 07

### POLICY ADVOCACY

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

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

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

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

## PRINCIPLE - 08

### INCLUSIVE GROWTH

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

The Company believes business prosperity and inclusive growth are interdependent. Continuing to this path, Eros is committed to integrate sustainability impact on society through its CSR initiatives.

The Company undertakes these initiatives through the CSR committee of the Board as per the CSR policy. The Company's CSR vision is to make concerted efforts towards promotion of education amongst the underprivileged and women empowerment.



During the FY 2016-17, the Company's CSR initiatives were focused on improving maternal health through engaging family, and community, to empower women from marginalized communities and to provide Personal safety training education in schools.

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

The aforesaid initiatives have been carried out by the Company through various implementing agencies such as NGO, non-profit organizations etc. The requisite details of the agencies through which the CSR initiatives are implemented is included in the Annual report.

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

The Company has conducted impact assessment of the CSR initiatives through the implementing agencies. The assessment was aimed at measuring the outcomes and impact which bring change in lives of the community that the NGO engages with.

The progress of the CSR initiative is periodically reviewed by the Corporate Social Responsibility committee. The inputs from the impact assessment studies help in making informed decisions based on the extent of outcomes and impacts.

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

For the FY 2016-17, the Company has spent INR 20 lakhs on community development initiatives.

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

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

To confirm the effective implementation, the Company also adopts the following approach:

- Report preparation on the initiatives implemented.
- Impact assessment through the NGO's.
- Continuous and close interaction with the community through the implementing agencies.

**PRINCIPLE - 09**

**CUSTOMER VALUE**

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

There are no material consumer cases / customer complaints received in FY 2016-17.

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

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

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

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

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

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

## Management Discussion And Analysis

### ECONOMIC OUTLOOK

As per the World Economic Outlook (WEO), April 2017, the Global GDP growth was around 3.1% in CY2016, while India was the fastest growing geography with a GDP growth of 6.8%. Even for CY2017, the GDP growth for India is forecasted at 7.2%, despite being trimmed by 0.4% because of the temporary negative consumption shock induced by cash shortages and payment disruptions due to demonetisation. The growth prospects are promising, with forecast signalling towards a rise of about 8% over the medium-term due to the implementation of key reforms like Goods and Services Tax (GST), reforms in the banking sector, growth in Foreign Direct Investments and appropriate fiscal and monetary policies.

#### GDP Growth rates

Regions	2016	2017 (P)	2018 (P)
World Output	3.1%	3.5%	3.6%
United States	1.7%	2.0%	2.0%
Euro Area	1.7%	1.7%	1.6%
United Kingdom	1.8%	2.0%	1.5%
China	6.7%	6.6%	6.2%
India	6.8%	7.2%	7.7%

(Source: International Monetary Fund, April 2017, calendar year data)

### INDIAN MEDIA AND ENTERTAINMENT INDUSTRY

As per the KPMG India – FICCI India Media and Entertainment Industry Report, 2017, the Indian M&E industry grew at 9.1% aided by strong fundamentals and a steady growth in consumption, although demonetisation shaved off 150 to 250 basis points in terms of growth across all sub-segments at the end of the year. However, the industry is expected to grow at a compounded average growth rate of 13.9% in the five-year period from ₹ 1,262 billion in CY2016 to ₹ 2,419 billion in CY2021.

#### The Indian M&E Industry: Projections

Overall industry size (₹ Billion) (For calendar years)	2016	2017P	2018P	2019P	2020P	2021P	CAGR (2016-2021P)
TV	588.3	651.0	750.9	876.8	1,014.5	1,165.6	14.7%
Print	303.3	325.0	350.4	378.5	405.6	431.1	7.3%
Films	142.3	155.0	166.0	178.2	191.6	206.6	7.7%
Digital Advertising	76.9	101.5	134.0	174.3	226.5	294.5	30.8%
Animation & VFX	59.5	69.5	81.2	95.5	111.9	131.7	17.2%
Gaming	30.8	37.2	44.2	52.2	60.7	71.0	18.2%
OOH	26.1	29.0	32.5	36.4	40.8	45.7	11.8%
Radio	22.7	26.4	30.7	35.9	41.5	47.8	16.1%
Music	12.2	14.0	16.3	19.0	22.1	25.4	15.8%
<b>Total</b>	<b>1,262.1</b>	<b>1,408.7</b>	<b>1,606.2</b>	<b>1,846.7</b>	<b>2,115.2</b>	<b>2,419.4</b>	<b>13.9%</b>

Source: KPMG in India's analysis and estimates 2016-17

### INDIAN FILM INDUSTRY

For the CY2016, the Indian Film industry grew at the rate of 3%, largely due to the impact of demonetisation that affected the theatrical revenues and led to the postponement of several film releases to CY2017.

Overall, the industry is expected to stage a recovery in CY2017 onwards. Additional revenues from penetration of multiplexes and television, growth in overseas markets and digital and ancillary revenues are likely to drive growth. Overall, the film industry is projected to grow at a compounded average growth rate of 7.7% till CY2021 to be worth ₹ 206.6 billion.

## Film industry performance

Revenue (₹ billion)	2016	2017P	2018P	2019P	2020P	2021P	CAGR (2016-2021P)
Domestic Theatrical	99.8	106.6	111.8	117.9	124.2	131.2	5.6%
Overseas Theatrical	10.9	11.8	12.5	13.4	14.3	15.3	7.2%
Home Video	0.9	0.8	0.7	0.6	0.6	0.5	-11.2%
Cable & Satellite Rights	15.3	16.2	17.0	18.0	19.1	20.2	5.7%
Ancillary Revenue Streams	15.5	19.6	23.9	28.3	33.4	39.4	20.6%
<b>Total</b>	<b>142.3</b>	<b>155.0</b>	<b>166.0</b>	<b>178.2</b>	<b>191.6</b>	<b>206.6</b>	<b>7.7%</b>

Source: KPMG in India's analysis

### Domestic Theatricals

Domestic theatricals is the main source of revenue with a 70% share in the total revenues of the Indian film industry. In 2016, the segment witnessed a decline over the previous year due to weak box office performance of Bollywood and Tamil movies, the top two contributors to the segment, due to the demonetisation initiative. Regional markets continued to grow with the increasing reach of Malayalam, Marathi, Punjabi and Gujarati films. However, demonetisation dampened the overall box office collections by reducing footfalls especially in single screen theatres and the overall number of movie releases. This segment is expected to grow at a CAGR of 5.6 per cent over the next five years. This is likely to be a combination of expansion in the exhibition sector – addition of multiplex screens and conversion of single screens into multiplex along with increase in average ticket prices (ATPs). While this may be the base case scenario, India remain a very under-screened market (6 screens per million population as compared to 23 in China, 61 in UK, 85 in France and 126 in the United States, KPMG-FICCI Report 2016) and a lot will depend on the overall screen build out and the quality of content that is released and the growth rates can be much higher.

### Some of the notable trends in 2016 were:

#### Increasing success of content driven movies

Differentiated, strong, message-based quality content became the indispensable factor for the success of a movie in 2016, further highlighting the fact that audiences have become more discerning in content consumption. Marquee actors/directors continue to drive opening week collections, however, the long-term success of films at the box office has come to be defined by the quality of its content. Franchise films continue to work at the box office as was demonstrated by the success of 'Housefull 3'.

#### Increasing potential of the regional film industry

Over the past few years, regional movies have performed well at the box office, due to impressive content and the relative untapped nature of the regional markets. Regional movies have also achieved robust profitability due to greater control over production costs, with the average cost of producing a Marathi or Punjabi film at ₹ 40 million versus ₹ 200 million for

a small commercial Hindi film, but carry the revenue earning potential that is multiple times the production budget. This trend of the success of the regional industry continued in 2016 with it contributing around 50% to the overall domestic theatrical revenues. This trend is also supported by increasing demand for films in non-metro cities with distinct cultures, languages and content preferences provides a variety of opportunities to deliver localized and regional content.

While Tamil and Telugu film industry are the two largest regional markets. Telugu films which were mass commercial films such as 'Janatha Garage' ruled the box office becoming the third highest grossing Telugu film ever. Year 2016 was a landmark year for the Malayalam film industry. The total domestic box office collection from top 10 movies increased by around 25% in 2016 as compared to 2015. Record performances also came from Marathi film 'Sairat' and Punjabi film 'Chaar Sahibzaade 2'.

#### Multiplexes driving growth in exhibition

The multiplexes have been driving growth of the sector over the last few years. By the end of 2016, there were around 2,500 multiplex screens and around 6,000 single screens in India but by industry estimates around 45% of the industry revenues are accounted by the multiplexes while for Hindi films this number is as high as 80%. Currently, the Indian multiplex industry has four major players which account for approximately 75% of multiplex screens.

Top 4 multiplexes (December 2016)	Number of screens
PVR Cinemas	562
Inox Leisure	446
Carnival Cinemas	365
Cinepolis India	292

Source: KPMG India - FICCI Report

After the wave of consolidation, the focus has now shifted to adding screens organically. In 2016, the multiplexes together added approximately 200 screens across India. Industry discussions indicate that the industry is likely to continue to grow at a similar pace – adding 150-200 screens per year. However,

## Management Discussion and Analysis (Contd.)

from a consumer demand point of view, there is a case for a much higher growth rate and if regulatory hurdles are eased at a state and local level, the industry can grow much faster. The number of multiplexes witnessed an increase across smaller towns, with major operators entering Tier-II cities leading to increased footfalls and revenue realisations. To further expand their footprint in Tier-II, Tier-III cities, some Indian multiplex majors are devising low capex strategy, which will involve building entertainment zones partnering state governments and real estate developers.

### Overseas theatricals

Overseas theatricals segment grew by 14% from ₹ 9.5 billion in 2015 to ₹ 10.9 billion in 2016. This growth can be attributed to strong performance of South Indian movies in the overseas market. Their contribution has increased by around 10% over the previous year to reach 62% of the overseas theatricals in 2016. Over the next five years, this segment is expected to grow at a CAGR of ~7% on the back of increase in the number of movies (both Hindi and regional language) travelling to overseas markets and opening of newer territories for Indian films.

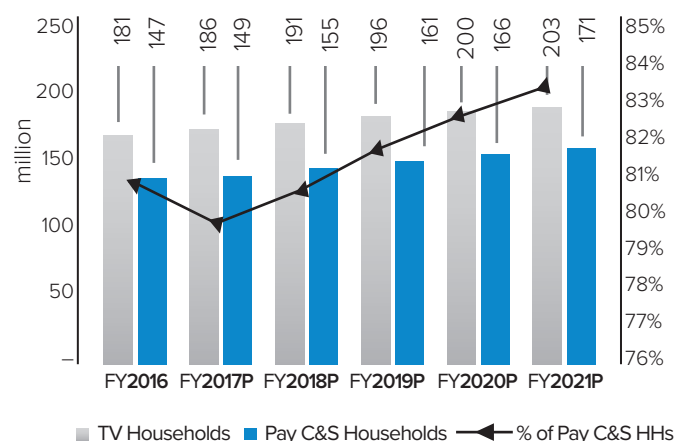
For Bollywood movies, U.S. - 30%, U.K. - 20% and Middle East -25% together contribute to 75% of total overseas revenues. Other emerging markets include Australia, New Zealand, South East Asia, China and select films get released in over 50 countries around the world and are increasingly attracting crossover audiences. The dispersion of this revenues changes significantly across languages based on the regional concentration of the Indian diaspora around the world. China is a large emerging opportunity and some Indian films have done extremely well in China.

### Cable and Satellite

The number of TV households in India increased to 181 million in 2016, resulting in a TV penetration of 63%. The industry witnessed net addition of 9 million Cable and Satellite (C&S) subscribers in 2016, ending with a C&S base of 169 million. The net additions were short by about a million due to slowdown in acquisitions owing to demonetisation. The short-term blip

of demonetisation is not likely to affect the long-term macro-economic indicators, with the TV households estimated to reach 203 million by 2021, implying a total TV penetration of 67%.

### TV household and Pay C&S penetration (₹ in million)



Source: KPMG in India's analysis 2010 based on date collected from industry discussions

### Broadcast Audience Research Council India (BARC) – Gaining acceptance

2016 was the first full year in which BARC (Urban and Rural) ("U+R") data was available across the entire 52 weeks. In January 2016, BARC introduced the metric of '000 Impressions as a measurement tool for viewership, with the terminology decided keeping in mind the long-term strategy of BARC moving into digital measurement. This new measurement samples a much wider audience and as a result has brought the rural audience in greater focus.

### Growing rural viewership

A year-on-year (Y-o-Y) comparison shows a rise in TV impressions and average time spent in rural India by 30% and 26% respectively. Film content was seen as a strongly appealing to the rural TV audience. Consequently, 4 new FTA movie channels were launched by the major broadcasters during the year Viacom's 'Rishtey Cineplex', Zee's 'Anmol Cinema', Star's 'Utsav Movies' and Sony's 'Wah'. Cable & Satellite (C&S) rights contributed ~11% with the overall industry's revenue at ₹ 15.9 billion in 2016.

### Cable and Satellite - Bollywood Films

C&S revenues of Bollywood films registered a growth in 2016 as compared to the previous year. Movies with an A list star cast or strong box office performance and strong content continue to drive growth. The satellite rights of movies for the top films were sold for ₹ 500-700 million. Rights of category A and category B movies were sold in a range of ₹ 250-400

**FOR BOLLYWOOD MOVIES, THE U.S. (30%), THE U.K. (20%) AND THE MIDDLE EAST (25%) TOGETHER CONTRIBUTE 75% OF TOTAL OVERSEAS REVENUES.**

million and ₹ 100-200 million respectively depending on the movie's target market.

### Cable and Satellite - Regional Films

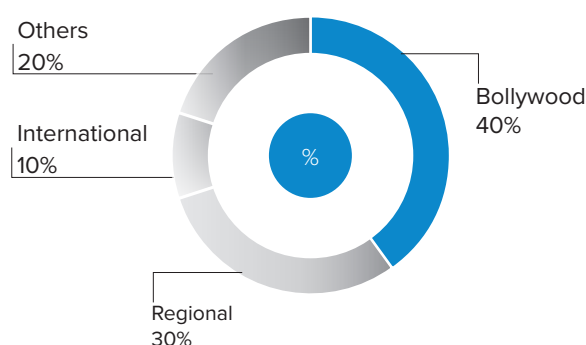
Regional broadcasters have become discerning with respect to the movies purchased with the price paid for acquiring such rights often linking the prices paid for the satellite rights with the box office performances. However, satellite rights for Marathi and Bengali films have shown firm trends.

Going forward the contribution from C&S is expected to grow. Industry discussions indicate that while the Hindi market is growing, the C&S market across regional languages is expected at a CAGR of 5.7%.

### Music

The Indian music market was at ₹ 12.2 billion in 2016 and is expected to more than double its market size to ₹ 25.4 billion by 2021. Sale of music rights continued to generate robust revenues in 2016, able to recover on an average ~5% of the production cost of a movie. Music rights of movies from renowned production house/directors/star cast are sold much before the release of the movie. The price for category A movies varies between ₹ 90-150 million and for category B movies, it varies between ₹ 40-60 million. Music rights fetched a higher amount in 2016 due to an increase in syndication and digital consumption of music along with intensifying competition in industry. The major music labels include T Series, Zee Music, Sony Music and Eros Music. Major players have tied up with various OTT players such as Wynk, Hungama, Eros Now and Saavn for music licensing.

### Bollywood, the most popular genre in 2018



## MARKETING AND DISTRIBUTION

With a proliferation of content across different media, release of nearly 20 movies every week and release clashes at the box office, it has become increasingly important for a movie's success to have a clutter breaking marketing campaign. Timing of the marketing campaign has also become incredibly

important as movies aim to build momentum in the short span of time leading up to the release of the movie.

This has led to an increase in the marketing budget of movies over the years. Currently, for a 'High and Medium Budget Hindi films, it varies from ₹ 100-250 million depending on the size of movie release. The television still takes the maximum share of 40%, print around 8-10% and digital comprising 10-15%. For a youth oriented movie, marketing budget allocation to digital platforms can go up to 20%. Some of the key trends notable in 2016 are as follows.

### Some of the key trends in CY 2016 were as follows:

#### Growth in movie marketing on social media and digital platforms

Over the years, movie promotions have evolved from posters, hoardings and print ads to teasers, trailers, promotional tours, star interviews, music launch and reality shows. Of late, movie marketers have focused more on digital platforms due to the rapidly increasing internet/social media base in India. Such targeted communication helps in creating strong word of mouth and converting interest into footfalls. Most actors use social media (Facebook, Instagram & Twitter) to interact with their fan base and promote their films.

#### Increasing focus on cost effective distribution strategy

Organised distributors such as Eros conduct a detailed analysis of the release potential of the film to manage the release costs while maximum earning potential. Such decisions are based on the content of the movie and size and location of the movie's target market. Therefore, the screens in which the film releases can vary significantly. For example, 'Housefull 3' released in 3,600 screens across the country while an exciting niche film 'Nil Battey Sannata' released in about 300 screens.

#### Increasing use of analytics

Analytics has been used extensively by the industry to evolve their business models and address various challenges emerging in competitive markets. It enables customized solutions to assess the business impact and provide feedback on areas of improvement for business decision-making.

During the marketing phase, a movie's trailer and music create the maximum impact before release, thus it becomes increasingly important for movie marketers to analyze the performance of promos/ songs/ theatrical trailer in different markets and demographics. To achieve this, various analytical tools are being used to gauge the effectiveness of marketing efforts and accordingly achieve maximum Return on Investment. These tools help in estimating first day box office collections and provide media and creative strategy recommendations to increase to same. Some tools also help in movie release decisions in different markets based on genre/actor/director's popularity, etc.



## Management Discussion and Analysis (Contd.)

### NUMBER OF INTERNET-ENABLED MOBILE PHONES EXCEEDED 300 MILLION IN 2016 AND IS EXPECTED TO REACH 700 MILLION IN 2021.

#### Digital rights driving Ancillary Revenues

Ancillary revenue streams witnessed a growth of 51% from ₹ 10.2 billion in 2015 to ₹ 15.5 billion in 2016 and became the second largest contributor to the overall industry's revenue. Major proportion of this growth came on the back of steep increase in the digital rights prices of movies due to heightened competition in OTT landscape. This surge in acquisition cost can be attributed to an increase in the demand for library creation by existing players and new entrants like Amazon Prime and Netflix. In 2016, digital rights attributed to up to 30-35% of the overall rights value including C&S and in some cases, equal to the C&S deals. In cinema advertising and movie's music rights revenue streams continued to grow at a steady pace. This segment is expected to grow at the fastest pace (CAGR ~20%) over the next five years and contribute around 19% to the industry's total revenue by the end of year 2021.

#### Adoption of high speed 4G networks

The digital growth can be attributed to rise in demand arising from changing consumption patterns and an improvement in the quality of telecom infrastructure. In the years to come, digital viewership promises to be the flag-bearer of growth in Media and Entertainment industry in India, in line with the global trends in this direction.

With the wide launch of high-speed 4G services by operators across the country. Rising internet and broadband penetration, declining data charges, coupled with the proliferation of internet enabled mobile phones, led to data consumption levels increase manifold. This was driven by offers by the new entrant, Reliance Jio; which were quickly followed by major competitors Idea, Vodafone and Airtel. Digital has also positively impacted the relatively smaller sub-segments, such as gaming and music — which registered impressive growth too.

#### Increased data consumption – Growing addressable market for Eros Now

As per Telecom Regulatory Authority of India (TRAI) there are over 1.2 billion wireless subscribers in India at the end of December 2016. The number of wireless internet users in India are likely to cross 969 million by 2021. The number of internet-enabled mobile phones exceeded 300 million in 2016 and

is expected to reach 700 million in 2021. It is expected that over the next couple of years, 3G and 4G subscribers would constitute over 80% of the wireless internet subscribers base. Initiatives such as broadband rollout and public Wi-Fi as part of the government's Digital India campaign and the promotion of 4G data packs by leading telecoms will help boost the quality of digital infrastructure in India.

#### Growing interest in OTT landscape

The year saw the entry of global OTT video majors, Netflix and Amazon Prime Video in India, as well as launch of major broadcast network backed platforms like VOOT (Viacom 18) and OZee (Zee TV). Other platforms like Hotstar (Star TV India) and Sony Liv (Sony Pictures Networks) consolidated their offerings by launching premium services and a dedicated kids channel, respectively. Telecom platforms are also joining in the OTT game with syndicated content offerings across applications like Jio Apps, Airtel Wynk etc. Eros Now, Eros International Plc. OTT offering is one of the early movers in space and enjoys a strong competitive position.

### COMPANY OVERVIEW

Eros International Media Limited (Eros International) is a leading global Company in the Indian filmed Entertainment Industry which co-produces, acquires and distributes Indian language films in multiple formats worldwide. Our success is built on the relationships we have cultivated over the past 30 years with leading talent, production companies, exhibitors and other key participants in our industry. Leveraging these relationships, we have aggregated rights to over 2,000 films in our library, including recent and classic titles that span different genres, budgets and languages, and we have distributed a portfolio of over 175+ new films over the last three completed fiscal years.

Trinity Pictures, the Company's visionary venture and in-house franchise label has developed twenty franchises, out of which five are in various stages of development and production including atleast two Indo-China ventures.

New film distribution across theatrical, overseas and television and others channels along with library monetization provide us with diversified revenue streams.

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

### STRATEGIC OVERVIEW

- Scaling up productions and co-productions including a unique dedicated franchise studio model, Trinity Pictures, to augment our film library and distribute high quality content globally.

- Foray into international co-productions with promising markets such as China.
- Expand our regional language content offerings to include more number of films in more regional languages.
- Creation of original content for Eros Now, our parent Eros International Plc's OTT digital entertainment service platform and evolve it as the preferred choice for online entertainment by consumers across digital platforms.
- Broaden the avenues for monetization of the Company content through existing and the evolving revenue streams.

## OPERATIONAL OVERVIEW

### Diversified portfolio of releases

In FY2017, Eros International released a total of 44 films including 5 high-budget, 10 medium-budget and 29 low-budget films. These releases included content across various languages like Hindi, Tamil, Telugu, Malayalam, Marathi, Punjabi and Bengali. The major releases of the fiscal included Ki & Ka; Rock On 2; Housefull 3; Baar Baar Dekho; Chaar Sahibzaade (Punjabi); C/O. Saira Banu (Malayalam); Janata Garage (Telugu); Sardar Gabbar Singh (Telugu); 24 (Tamil); Yaman (Tamil); Double Feluda (Bengali); Monchora (Bengali) and others.

### Trinity Pictures developing well

In FY2017, Trinity Pictures grew with five franchises in various stage of development and production expected to release in the next two years. These include two landmark Indo-China co-productions which are slated to be released in FY2018.

Out of these, there are two films are a part of the unique Indo-China co-production, Kabir Khan's travel drama The Zookeeper (working title) and Siddharth Anand's cross-cultural romantic comedy Love in Beijing (working title).

Trinity's first franchise film Sniff – I Spy, a superhero film directed by Amole Gupte is slated for release on 25 August 2017. As a part of the marketing initiatives, two of Sniff comics distributed by Diamond Comics have been released in the market. A Sniff Arcade Game and merchandise have also been launched.

**PROFIT BEFORE TAX INCREASED BY 0.4% TO ₹ 32,223 LAKHS IN THE YEAR ENDED 31 MARCH 2017.**

### Driving digital reach

With the growing penetration of smartphone and 4G internet across the country, we are increasing our focus on providing on-demand services. Eros Now, the parent Eros International PLC's OTT offering leverages our film and music libraries via ad-based and subscription-based streaming of content. Currently, Eros Now has registered users in 135 countries. Eros International Media Ltd. is a key content provider for Eros Now.

## FINANCIAL OVERVIEW

### Total revenues

Consolidated total income decreased by 11.1% to ₹ 144,528 lakhs in FY2017 compared to ₹ 162,570 lakhs in FY2016.

### Purchase/operating expenses

Purchases/operating expenses have decreased by 23.5% to ₹ 78,779 lakhs in FY2017, vis-à-vis ₹ 102,999 lakhs in FY2016. This decrease is in line with the decrease in revenues and reflects the mix of the film slate.

Amortisation of film rights during FY2017 stood at ₹ 44,630 lakhs compared to ₹ 61,787 lakhs in FY2016. Film right cost during FY2017 stood at ₹ 33,854 lakhs as against ₹ 27,861 lakhs in FY2016. Other expenses comprising print, advertising, and associated expenses stood at ₹ 10,203 lakhs in FY2017 vis-à-vis ₹ 11,484 lakhs in FY2016.

### Employee benefits expense

Employee benefits expense increased by 25.5% to ₹ 7,053 lakhs in FY2017, compared to ₹ 5,619 lakhs in FY2016. This was due to fresh recruitment, annual pay increments, performance linked pay and higher employee stock option compensation.

### Finance cost

Net finance costs during FY2017 stood at ₹ 5,452 lakhs vis-à-vis ₹ 3,386 lakhs in last year.

### Other expenses

Other expenses during FY2017 stood at ₹ 9,861 lakhs as against ₹ 6,028 lakhs in the last year.

### EBIT

EBIT increased by 6.1% to ₹ 37,675 lakhs in FY2017 compared to ₹ 35,493 lakhs in FY2016. EBIT margins stood at 26.1% in FY2017 as compared to 21.8% in FY2016.

### Profit before tax

Profit before tax increased by 0.4% to ₹ 32,223 lakhs in the year ended 31 March 2017, compared to ₹ 32,107 lakhs in the year ended 31 March 2016.

## Management Discussion and Analysis (Contd.)

### Income tax

Income Tax expenses for the year ended 31 March 2017, were ₹ 7,894 lakhs, as compared to ₹ 7,900 lakhs for the year ended 31 March 2016. The Company's effective tax rate for the year ended 31 March 2017, was 24.5% vis-à-vis 24.6% in the previous year.

### Profit after tax

Profit after tax increased by 7.9% to ₹ 25,745 lakhs for the year ended 31 March 2017, compared to ₹ 23,867 lakhs for the year ended 31 March 2016.

### Earnings per share (EPS)

Basic EPS for the year ended 31 March 2017 was ₹ 27.49 per share compared to ₹ 25.61 a year ago, up by 7.3%. Fully diluted EPS for the year ended 31 March 2017 was ₹ 27.00 per share, as compared to ₹ 25.40 in the year ended 31 March 2016, up by 6.3%.

### Goods and Service Tax (GST)

The GST Act reforms will be made effective from 1st July 2017. GST will have impact on all business transactions like procurement, supply chain, marketing, logistics and others, production, sale and consumption of goods and services with allowance of input tax credit paid at each stage of supply. The applicable GST rate for transfer of copyrights will be @ 12%.

## RISK MANAGEMENT

The Company has a robust mechanism of reviewing internal and external risks on a regular basis. Below are some of the critical internal and external risks, which may impact the Company:

### Internal risks

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.

If the Company fails to achieve or maintain an effective system of internal control over financial reporting, its ability to accurately and timely report the financial results or prevent fraud may be adversely affected.

Eros' accounting practices and management judgments may accentuate fluctuations in its annual and quarterly operating results; and may not be comparable to other film entertainment companies.

Litigation may be necessary to enforce the Company's intellectual property rights or to determine the validity and scope of the proprietary rights of others or to defend against claims of infringement or invalidity. Regardless of the validity or the success of the assertion of any claims, Eros could incur significant costs and diversion of resources in enforcing its intellectual property rights or in defending against such claims, which could have an adverse effect on its business and results of operations. Its services and products could infringe upon the intellectual property rights of third parties.

The Company may be unable to adequately protect or continue to use our intellectual property. Failure to protect such intellectual property may negatively impact our business.

Eros' financial condition and results of operations fluctuate from period to period due to film release schedules and other factors and may not be indicative of results for future periods.

### External risks

The Company faces increasing competition with other films for movie screens, and its inability to obtain sufficient distribution of its films could have a material adverse effect on the business.

Increasing competition from other forms of entertainment could have an adverse effect on the business

Weak economic growth, rising unemployment and inflation can weaken discretionary consumer spending for the entertainment that the Company offers.

Piracy of content, including digital and internet piracy, may adversely impact the Company's revenues and business.

Some viewers or civil society organisations may find Eros' film content objectionable.

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.

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**BASIC EPS FOR THE YEAR ENDED  
31 MARCH 2017 WAS ₹ 27.49 PER  
SHARE COMPARED TO ₹ 25.61 A  
YEAR AGO, UP BY 7.3%.**

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## **HUMAN RESOURCE**

Eros values the contributions of its employees and encourages employees to recognise new opportunities and create value to 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, color, nationality, ethnic or national origin, religion, disability or sexual orientation. The Company follows an effective recruitment policy based on job criteria and personal aptitude and competence of the applicants. It also applies best practices in the employment of disabled people and retrain and retains staff who become disabled during their employment.

## **INTERNAL CONTROL SYSTEM**

Eros has established a robust 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 conduct 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 provides 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 Report

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

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

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

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

adopted best practices mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as the "SEBI Listing Regulations").

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

## BOARD OF DIRECTORS

### a. Composition and Category of Directors:

As at 31 March, 2017, the Board of Directors of the Company consists of six (6) members, out of which three (3) are non-executive directors and three (3) are executive directors of the Company, including a Woman Director, comprising of experts from various fields/professions. The Chairman of the Board Mr. Naresh Chandra, is a Non-Executive and Independent Director and is not related to promoters of the Company or any person occupying the position one level below the Board. The composition of the Board of Directors of the Company is in accordance with SEBI Listing Regulations and the Companies Act, 2013 read with applicable rules made thereunder.

Name of the Director	Directors Identification No. (DIN)	Category	Designation
Mr. Naresh Chandra	00015833	Non-Executive & Independent Director	Chairman
Mr. Dharendra Swarup	02878434	Non-Executive & Independent Director	Director
Mr. Rakesh Sood	07170411	Non-Executive & Independent Director	Director
Mr. Sunil Lulla	00243191	Executive Director	Executive Vice-Chairman & Managing Director
Mr. Kishore Lulla	02303295	Executive Director	Director
Ms. Jyoti Deshpande	02303283	Executive Director	Director

Mr. Vijay Ahuja, Non-Executive and Non-Independent Director of the Company, retired by rotation at the 22<sup>nd</sup> AGM held on 29 September, 2016 as he did not seek re-appointment at the said AGM and as such he ceased to hold office as the director of the company from the date of AGM.

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

### Independent Directors

The Independent Directors of the Company are Non-Executive Directors as defined under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI Listing Regulations. They possess rich and varied experience with skills in critical areas like governance, finance, entrepreneurship, general management etc.

The Shareholders of the Company have appointed the Independent Directors for the first term of five (5) years, which is in compliance with the Companies Act, 2013. As required by Regulation 46 of the SEBI Listing Regulations, the terms and conditions of appointment of Independent Directors are listed down in the draft letter of appointment, available on the Company's website [www.erosintl.com](http://www.erosintl.com). Each Independent director has been issued formal letter of appointment.

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 read with Regulation 16 of SEBI Listing Regulations.

### Independent Directors Meeting

In terms of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI Listing Regulations, the Independent Directors of the Company met once



(1) on 29 September, 2016, without the attendance of non-independent directors and members of the management. All the Independent Directors of the Company were present at the said meeting.

Various matters were discussed by the Independent Directors at the said meeting, including, inter alia, matters as prescribed in the Schedule IV of the Companies Act, 2013 and SEBI Listing Regulations, viz. review of the performance of Non-Independent Directors and the Board as whole, review of the performance of the Chairman after considering the views from Executive and Non-Executive Directors, 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.

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

Details of Membership and Attendance of each Director at the Board of Directors Meetings held during the financial year under review and the last Annual General Meeting and the number of other Directorships and Chairmanship/ Membership of Board Committees as on 31 March, 2017 are as follows:

Name of Director	Directors Identification No. (DIN)	Attendance		Position on the Board of other companies as on 31 March, 2017		
		Board Meeting	Last Annual General Meeting	Directorship* (Including Unlisted Public Companies)	Committee Membership**	Committee Chairmanship***
Mr. Naresh Chandra	00015833	5	Yes	09	09	01
Mr. Dharendra Swarup	02878434	5	Yes	05	05	04
Mr. Rakesh Sood	07170411	5	Yes	01	01	--
Mr. Sunil Lulla	00243191	5	Yes	08	01	--
Mr. Kishore Lulla	02303295	3	Yes	--	--	--
Ms. Jyoti Deshpande	02303283	2	No	01	--	--

**Note:**

\* Only Public limited companies, (both listed and unlisted) are included in other directorships. Directorships in all other companies including private limited companies (which are not the subsidiary of Public Company), foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded.

\*\* Chairmanship/membership of the Audit Committee and the Stakeholders' Relationship Committee are considered for the purpose of committee positions in all public companies, whether listed or not as per SEBI Listing Regulations.

\*\*\* Also includes the committees in which a Director holds position as a Chairman.

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

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

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

Necessary disclosures regarding directorships and committee positions in other public companies as on 31 March, 2017 have been made by all the directors.

**d. Number of Board Meetings:**

The Board met five (5) times during the financial year ended 31 March, 2017, i.e. on 27 May, 2016; 8 September, 2016; 10 November, 2016; 2 December, 2016 and 10 February, 2017. The maximum time gap between two (2) meetings of the Board did not exceed one hundred and twenty (120) days as stipulated under the Regulation 17(2) of SEBI Listing Regulations. The necessary quorum was present for all the meetings.

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 to address specific issues concerning the businesses of the Company. The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items

## Corporate Governance Report (Contd.)

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

In accordance with the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and in accordance with Secretarial Standard 1 issued by ICSI, the Company provides an option to its Directors to participate at each of the Board meetings/Committee meetings through video conference except in respect of those agenda items wherein transactions are not permitted to be carried out by way of video conference. As per Secretarial Standard, draft minutes and signed minutes of the Meeting are circulated within the prescribed time.

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

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

Mr. Kishore 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, who retired by rotation at last AGM, is cousin brother of Mr. Kishore Lulla and Mr. Sunil Lulla.

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

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

None of the Non-Executive Independent Directors holds any equity shares in the Company.

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

Familiarisation Programme for Independent Directors is designed with an aim to make the Independent Directors

aware about their roles, responsibilities and liabilities as per Companies Act, 2013, SEBI Listing Regulations and other applicable laws and to get better understanding about the Company, nature of industry in which it operates and environment in which it functions, business model, long term/short term/strategic plans etc. As a part of familiarisation programme, functional heads make presentations to the Board members, inter alia, covering business environment, business strategies, operations review, quarterly and annual results, review of Internal Audit Report and action taken, statutory compliance, risk management, operations of subsidiaries, etc.

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

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

### Reappointment of Directors

Mr. Kishore Lulla (DIN – 02303295), Executive Director of the Company, being eligible for re-appointment, has offered himself for re-appointment, as his office being longest is liable to retire by rotation at the 23<sup>rd</sup> Annual General Meeting of the Company, as per Section 152 (6) of the Companies Act, 2013 and applicable rules thereto.

As required under SEBI Listing Regulation, brief resume of Mr. Kishore Lulla, seeking re-appointment at the ensuing AGM is stated at length in the Notice convening 23<sup>rd</sup> AGM.

## COMMITTEES OF THE BOARD

The Board of Directors, at its various meetings, has constituted/ re-constituted various committees to discuss upon the delegated work as per their respective charters and then recommend or update the Board about their discussion or decisions.

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

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

## AUDIT COMMITTEE

The Board of Directors of the Company has constituted an Audit Committee having a well defined composition of members, terms of reference, powers, role and responsibilities in accordance with Section 177 of the Companies Act, 2013 and applicable rules thereto and as per Regulation 18 of SEBI Listing Regulations.

As on 31 March, 2017, the Audit Committee comprised of four (4) members of whom three (3) are Non-Executive Independent Directors, all of whom are financially literate and possesses accounting and related financial management expertise. The Chairman of the Audit Committee is an Independent Director and he had attended last year's Annual General Meeting to address the queries of the shareholders.

During the year under review, Audit Committee met four (4) times in a year viz. on 27 May, 2016, 08 September, 2016, 10 November, 2016 and 10 February, 2017. The maximum time gap between two (2) committee meetings did not exceed one hundred and twenty (120) days as stipulated under the Regulation 18(2) of SEBI Listing Regulations. The necessary quorum was present for all the meetings.

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

Name of Committee Member	Directors Identification No. (DIN)	Designation in the Committee	Category	Number of Meetings attended
Mr. Dharendra Swarup	02878434	Chairman	Non-Executive Independent Director	4
Mr. Naresh Chandra	00015833	Member	Non-Executive Independent Director	4
Mr. Rakesh Sood	07170411	Member	Non-Executive Independent Director	4
Mr. Sunil Lulla	00243191	Member	Executive Vice-Chairman and Managing Director	4

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

The terms of reference of Audit Committee along with working procedure, charter and constitution are uploaded on website of the Company at [www.erosintl.com](http://www.erosintl.com). Minutes of the meetings of Audit Committees are placed before the Board for noting.

Listing Regulations. As on March 31, 2017, the Nomination and Remuneration Committee comprised of three (3) members, all of whom are Non-Executive Independent Directors. The Chairman of the Nomination and Remuneration Committee is an Independent Director and he was present at last year's Annual General Meeting to address the queries of the shareholders.

During the year under review, Nomination and Remuneration Committee met four (4) times in a year viz. on 27 May, 2016, 08 September, 2016, 10 November, 2016 and 10 February, 2017. The necessary quorum was present at all the meetings.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in accordance with Section 178 of the Companies Act, 2013 and applicable rules thereto and as per Regulation 19 of SEBI

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

Name of Committee Member	Directors Identification No. (DIN)	Designation in the Committee	Category	Number of Meetings attended
Mr. Dharendra Swarup	02878434	Chairman	Non-Executive Independent Director	4
Mr. Naresh Chandra	00015833	Member	Non-Executive Independent Director	4
Mr. Rakesh Sood	07170411	Member	Non-Executive Independent Director	4

## Corporate Governance Report (Contd.)

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

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

### Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company is framed to ensure that remuneration arrangements supports 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:

- To formulate 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;
- To formulate 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;
- To devise a policy on Board diversity and to ensure that the Board Diversity and effectiveness is in accordance with Company's Board Diversity Policy;
- To identify 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;
- To recommend the appointment of KMPs to the Board;
- To 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's 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 Ms. Jyoti Deshpande, Executive Director, as she is not a promoter nor related to promoters. No other Executive Directors, who are also the promoters of the Company, have been granted any stock options of the Company.

### Performance Evaluation Criteria for Independent Directors:

The Company has adopted the Guidance Note on Board Evaluation issued by SEBI on 5 January, 2017 and made necessary revision in its Board Evaluation Policy which was approved by the Board at their meeting held on 10 February, 2017.

In accordance with the Company's revised Board Evaluation Policy, the evaluation is essential for assessment on how the overall Board, its Committees and individual directors (including independent directors and Chairperson) have performed on all parameters. Performance evaluation is done in an independent and fair manner. Few of the performance parameters for evaluation of Board and Committees are as follows:

- Structure of the Board and Committee, Competency and experience of directors
- Diversity of Board under various parameters
- Appointment to the Board
- Meetings of Board and Committees including the frequency of meetings
- Discharge of key functions under law; discharge of other responsibilities under law;
- Evaluation of performance of management and feedback
- Monitoring effectiveness of Corporate Governance practices
- Ensuring integrity of accounting and financial reporting, audit, internal audit and risk management systems, as applicable
- Working towards all Stakeholders' interests.

Some of the key parameters for evaluating the performance of individual directors are as follows:

- Qualification, Experience, Attendance and Participation
- Approach to the Board and Senior Management especially for Risk management and meeting competition challenges
- Maintaining confidentiality
- Acting in good faith and in Company's interest
- Ensuring due diligence and reasonable care
- Legal compliances in letter and spirit
- Openness to ideas and ability to challenge old practices and throwing up new ideas
- Maintaining relationship of trust and respect with Board Members

- Capacity to effectively examine financial and other information and ability to make positive contribution.

The Evaluation for the overall Board of Directors, Committees and Individual Directors were carried out for the financial year 31 March, 2017. 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. Additional criteria for chairperson includes Effectiveness of leadership and ability to steer the meetings, impartiality, commitment and ability to keep shareholders' interests in mind.

The evaluation reports prepared by the respective evaluators are placed before the Board for its approval at the Board meeting. The Board deliberates on the report and then develop an action plan on the outcome and implementation strategy for the same.

## REMUNERATION OF DIRECTORS

### Non-Executive Directors Compensation and Disclosures:

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

- Sitting Fees of ₹ 40,000/- for attending each Board and Committee meeting
- Commission, as decided by the Board, not exceeding 1% of the net profit of the Company is paid in accordance with 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 of the Company
- None of the Non-Executive Independent Directors hold any convertible instruments in the Company
- Payment of reimbursement of expenses incurred by Non-Executive Independent Directors for participation in the Board and other meetings of the Company.

### Maintenance of Chairman's office

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



## Corporate Governance Report (Contd.)

Details of remuneration paid to all the Directors for the financial year 2016-2017 are as follows:

(Amt in ₹)										
Sr. No.	Name of Director	Salary	Benefits/ Perquisites	Bonus	Sitting Fees (paid)	Commission paid for FY 2015-2016	Commission (payable for 2016-2017)	Others	Total	Holding of Equity shares/stock options of the Company as on 31 March, 2017
1	Mr. Naresh Chandra	--	--	--	7,20,000	49,75,000	49,75,000	--	56,95,000	Nil
2	Mr. Dharendra Swarup	--	--	--	7,20,000	24,87,500	24,87,500	--	32,07,500	Nil
3	Mr. Rakesh Sood	--	--	--	7,20,000	24,87,500	24,87,500	--	32,07,500	Nil
4	Mr. Sunil Lulla	38,652,240	12,39,600	64,42,040	--	--	--	--	46,333,880	1,400 (equity shares)
5	Mr. Kishore Lulla	11,595,672	--	--	--	--	--	--	11,595,672	Nil
6	Ms. Jyoti Deshpande	10,541,520	--	--	--	--	--	--	10,541,520	571,160 (options outstanding) & holds 142,790 equity shares
7	<sup>1</sup> Mr. Vijay Ahuja	--	--	--	--	--	--	--	--	Nil

<sup>1</sup> Mr. Vijay Ahuja, liable to retire by rotation at the annual general meeting held on 29 September, 2016, elected not to be reappointed as such and retired at the annual general meeting.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is constituted in accordance with Section 178 of the Companies Act, 2013 and applicable rules thereto and as per Regulation 20 of SEBI Listing Regulations. As on 31 March, 2017, the Stakeholders Relationship Committee comprised of three (3) members majority of whom are Non-Executive Independent Directors. The Chairman of the Stakeholders Relationship Committee is an Independent Director and he was present at last year's

Annual General Meeting to address the queries of the shareholders.

During the year under review, Stakeholders Relationship Committee met four (4) times in a year viz. on 27 May, 2016, 08 September, 2016, 10 November, 2016 and 10 February, 2017. The necessary quorum was present at all the meetings.

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

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

Ms. Dimple Mehta, Company Secretary and Compliance Officer acts as the Secretary to the Committee. The Chief Financial Officer of the Company is the permanent invitee to the Committee meetings.

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

The Stakeholders Relationship Committee is responsible for resolving investor's complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc.

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

Status of Investor Grievances during the year 2016-17:

Description of Investors Grievances received during the year	No. of Grievances
Total Grievances Pending at the Beginning of Period as on 1 April, 2016	NIL
Letters directly received from Investors	0
N.S.E.	0
B.S.E.	0
SEBI (Securities Exchange Board of India) (SCORES)	0
Total Grievances attended	0
Total Grievances pending as on 31 March, 2017	NIL

The Company has not received any complaints during the year under review.

### Share Transfer System

Shares sent for physical transfer are registered and returned within fifteen days from the date of receipt, if the documents are clear in all respects. The Stakeholders Relationship Committee

meets as often as required. There were no transactions in transfer of shares in physical form during the year 2016-17 and no share transfer pending as on 31 March 2017.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee is constituted in accordance with Section 135 of the Companies Act, 2013 and applicable rules thereto. As on 31 March 2017, the Corporate Social Responsibility Committee comprised of four (4) members. The Chairman of the Corporate Social Responsibility Committee is an Independent Director.

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

During the year under review, Corporate Social Responsibility Committee met four (4) times in a year viz. on 27 May, 2016, 08 September, 2016, 10 November, 2016 and 10 February, 2017. The necessary quorum was present at all the meetings.

The Board of Directors of the Company at their meeting held on 10 November, 2016 had broadened the terms of reference of CSR Committee to include the terms of reference of Business Responsibility Report, pursuant to the SEBI Listing Regulations.

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

Name of Committee Member	Directors Identification No. (DIN)	Designation	Category	Number of Meetings attended
Mr. Naresh Chandra	00015833	Chairman	Non-Executive Independent Director	4
Mr. Sunil Lulla	00243191	Member	Executive Vice-Chairman and Managing Director	4
Mr. Kishore Lulla	02303295	Member	Executive Director	3
Ms. Jyoti Deshpande	02303283	Member	Executive Director	2

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

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

A detailed Business Responsibility Report in terms of the provisions of Regulation 34 of the SEBI Listing Regulations, is available as a separate section in this Annual Report.

## MANAGEMENT COMMITTEE

The Board of Directors of the Company have constituted the Management Committee to look after day to day affairs and functioning of the Company. The Board have delegated certain powers to this committee. As at 31 March, 2017, the Management Committee comprised of directors and senior executives of the Company viz. Mr. Sunil Lulla, Mr. Kishore Lulla, Ms. Jyoti Deshpande and Mr. Dinesh Modi.

The Committee met 28 times during the financial year for such operational matters.

## Corporate Governance Report (Contd.)

### INVESTORS INFORMATION

#### General Body Meeting

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

Respective Financial Year	2013-14	2014-15	2015-16
Date of the meeting	25 September, 2014	03 September, 2015	29 September, 2016
Time of the meeting	2.30 p.m.	3.00 p.m.	2.30 p.m.
Venue of the meeting	The Classique Club, New Andheri Link Road, Andheri (West), Mumbai - 400 053.	The Club, 197, D. N. Nagar, Andheri (West), Mumbai - 400 053.	The Club, 197, D. N. Nagar, Andheri (West), Mumbai - 400 053.
Special Resolution passed at the meeting	<ul style="list-style-type: none"> <li>● Payment of remuneration to Mr. Kishore Lulla, Executive Director</li> <li>● Increase in borrowing limits upto ₹ 2000 crores</li> <li>● Creation of Charges on the moveable and immoveable properties of the Company, both present and future, in respect of borrowings, not exceeding ₹ 2000 crores</li> <li>● Offer and issue of Non-Convertible Securities under Private Placement upto ₹ 750 crores</li> </ul>	<ul style="list-style-type: none"> <li>● Re-appointment of N.A. Mr. Sunil Lulla (DIN 00243191) as an Executive Vice-Chairman and Managing Director of the Company and payment of remuneration</li> <li>● Payment of remuneration to Ms. Jyoti Deshpande, Executive Director (DIN-02303283) on her re-appointment as Executive Director</li> <li>● Adoption of Articles of Association</li> <li>● Commission to Non-Executive Directors</li> <li>● Approval for entering into Material Related Party Transaction with Eros Worldwide FZ LLC</li> </ul>	

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

Below are voting details of Special Resolution passed through postal ballot

Date of Postal Ballot Notice	Date of declaration of results of Postal Ballot	Special Resolution passed through Postal Ballot	Name of the Scrutinizer to Postal Ballot	No. of Votes in Favour	No. of Votes Against	Status of Resolution passed/rejected
02/12/2016	09/01/2017	Issue of secured/unsecured, redeemable Non convertible Debentures (NCDs) on Public issue/ Private Placement basis	Mr. Makarand Joshi	72,074,702 votes in favour	63,812 votes against	Passed with requisite majority

#### PERSON WHO CONDUCTED THE POSTAL BALLOT PROCESS

Mr. Makarand Joshi, Practicing Company Secretary, (Membership No. 5533, COP: 3662) partner of M/s Makarand M. Joshi & Co., was appointed as the Scrutinizer for carrying out the postal ballot process for the above item in a fair and transparent manner.

#### PROPOSAL TO CONDUCT POSTAL BALLOT FOR ANY MATTER IN ENSUING ANNUAL GENERAL MEETING

There is no proposal to conduct postal ballot for any matter in ensuing Annual General Meeting.

#### PROCEDURE FOR POSTAL BALLOT

In compliance with the SEBI Listing Regulations and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with applicable rules, the Company provides electronic voting facility to all its shareholders, to enable them to cast their votes electronically. The shareholders have the option to vote either by physical ballot or e-voting.

The Company engages the services of NSDL for the purpose of providing e-voting facility to all its shareholders.

For conducting a Postal Ballot, Notice specifying the resolution 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 /e-mailed 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 last date specified by the Company for receipt of duly completed postal ballot forms or e-voting is deemed to be the date of passing of the resolution.

The Scrutinizer submits his report to the Chairman or any Director authorized by the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman or any Director authorized by the Chairman. The results are also displayed on the website of the Company [www.erosintl.com](http://www.erosintl.com), besides

being communicated to the Stock Exchanges, Depository and Registrar and Transfer Agent.

## MEANS OF COMMUNICATION

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

Financial results are published in "The Free Press Journal" and "Navshakti" as per the requirements of the SEBI Listing Regulations. The said results are also made available on Company's website at [www.erosintl.com](http://www.erosintl.com). The Company also organise an earnings call with analysts and investors shortly after the day of the results announcement.

## Presentation to Institutional Investors/Analysts

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

## GENERAL SHAREHOLDERS INFORMATION:

<b>Annual General Meeting</b>	
Day	Thursday
Date	28 <sup>th</sup> September, 2017
Time	2.30 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 31 March, 2017	Fourth week of May, 2017
1st quarter results for quarter ending June, 2017	On or before 14 August, 2017
2nd quarter results for quarter ending September, 2017	On or before 14 November, 2017
3rd quarter results for quarter ending December, 2017	On or before 14 February, 2018
Last quarter results for quarter ending March, 2018	On or before 30 May, 2018
<b>Financial year</b>	1 April, 2017 to 31 March, 2018
<b>Book Closure Dates</b>	21 <sup>st</sup> September, 2017 to 28 <sup>th</sup> September, 2017
<b>Listing of equity shares at Stock Exchanges</b>	<b>BSE Limited</b> Pheeroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Tel No.: 91-22-22721233/1234 Fax No.: 91-22-22721919  <b>National Stock Exchange of India Limited</b> Exchange Plaza, 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
<b>Stock Codes</b>	BSE - 533261 NSE - EROSMEDIA
<b>ISIN Number</b>	INE416L01017
<b>Corporate Identification Number (CIN)</b>	L99999MH1994PLC080502

## Corporate Governance Report (Contd.)

The annual listing fees for the financial year 2017-2018 to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) has been paid by the Company within prescribed time.

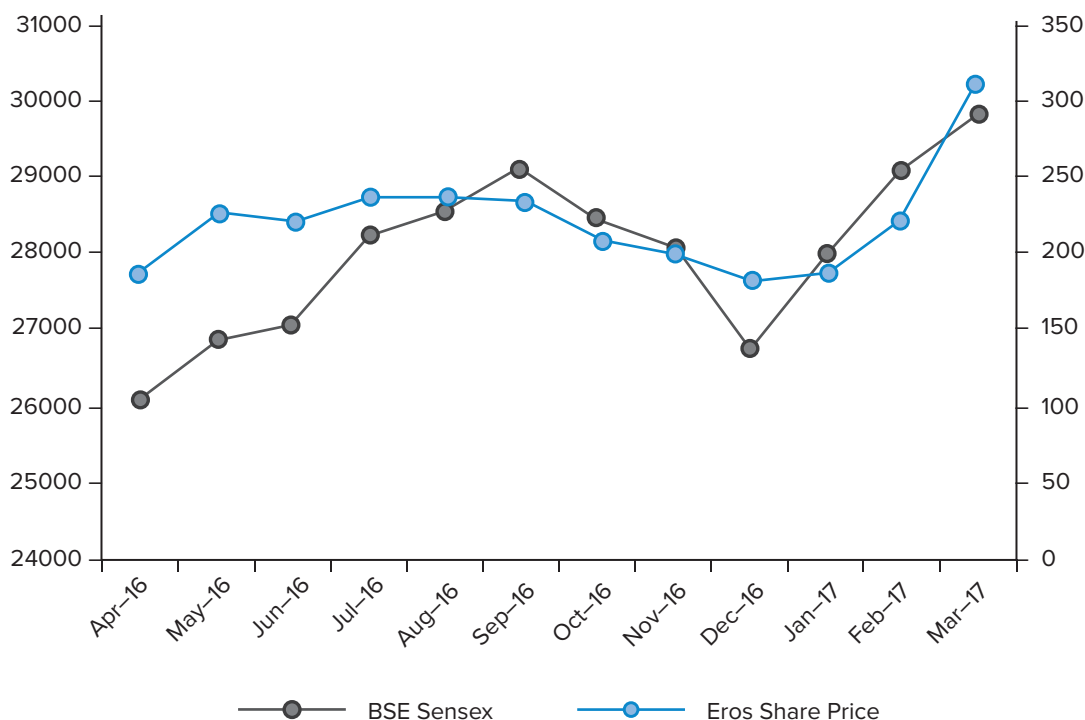
The annual custodian fees for the financial year 2017-2018 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) has been paid by the Company within prescribed time.

### MARKET PRICE DATA

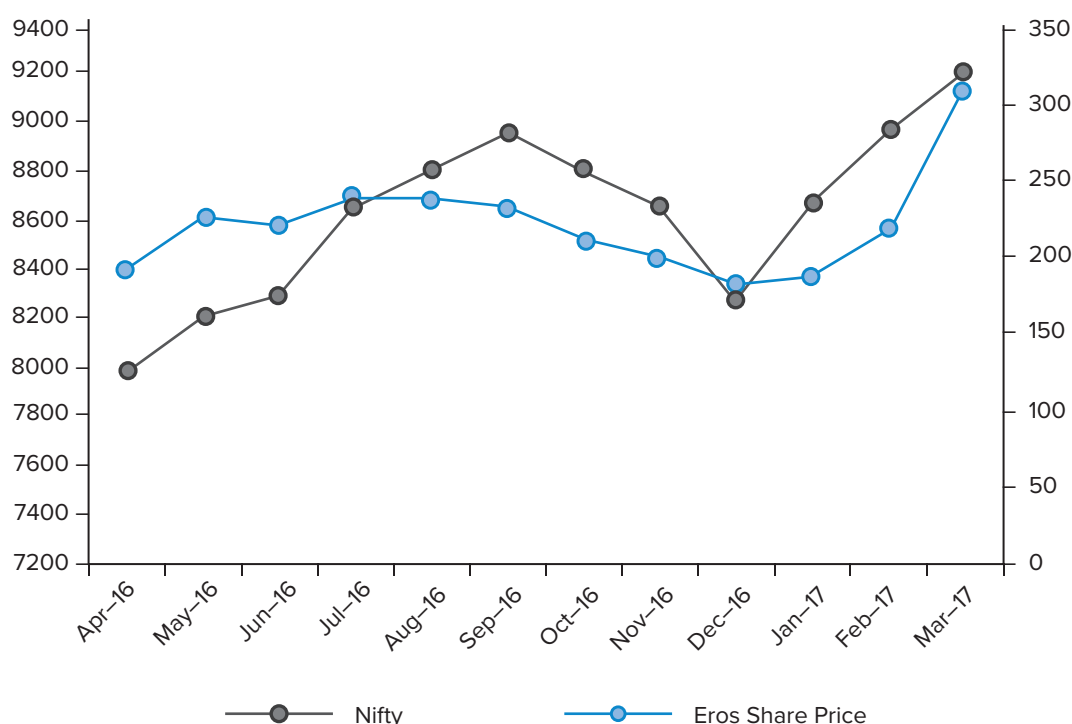
The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The monthly high and low share prices on both the exchanges for a period starting from 1 April, 2016 to 31 March, 2017 are as below:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Price (₹)	Low Price (₹)	Volume	High Price (₹)	Low Price (₹)	Volume
Apr 16	191.9	155	21,18,053	191.80	160.25	97,55,152
May 16	225.25	172.5	41,13,322	225.80	172.20	2,11,4,591
Jun 16	221.95	187.85	26,82,202	221.70	188.00	1,39,35,198
Jul 16	236.5	209	24,12,577	237.25	209.00	1,12,87,318
Aug 16	237	212	11,29,247	238.00	211.00	54,17,718
Sep 16	234	198.5	13,29,864	234.00	198.20	68,09,225
Oct 16	210.5	193.25	5,73,364	210.50	193.50	34,37,177
Nov 16	199.3	150.15	7,01,582	199.40	142.00	43,36,280
Dec 16	182.95	155.05	4,22,423	182.80	155.00	23,07,113
Jan 17	186.6	162.9	3,81,934	187.00	161.75	28,16,300
Feb 17	219.45	164.3	15,22,054	219.75	164.00	81,51,968
Mar 17	308.4	197.3	68,13,058	308.45	197.50	3,70,25,326

### PERFORMANCE IN COMPARISON TO BROAD BASED INDICES







## REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS

### Address for Investor Correspondence

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

### LINK INTIME INDIA PRIVATE LIMITED

Unit – Eros International Media Limited  
C 101, 247 Park, LBS Marg, Vikhroli West,  
Mumbai - 400 083.

Tel No.: +91 (22) 49186000

Fax No.: +91 (22) 49186060

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

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

## DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH, 2017

Shares Holding of Shares	No. of Shareholders	% to total
1-5000	35,383	93.92
5001-10000	1,064	2.82
10001-20000	529	1.40
20001-30000	178	0.47
30001-40000	84	0.22
40001-50000	80	0.21
50001-100000	142	0.38
100001 and above	214	0.57
<b>Total</b>	<b>37,674</b>	<b>100</b>

## PLEDGE OF SHARES

4,380,000 equity shares have been Pledge by Eros Worldwide FZ LLC, holding company as on 31 March, 2017.

## DEMATERIALISATION OF SHARES AND LIQUIDITY AS ON 31 MARCH, 2017

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, 2017 and the promoters holding % have been held in the dematerialised as on 31 March, 2017.

### Break up of shares in physical and demat form as on 31 March, 2017 is as follows:

	Number of shares	% of Total number of shares
Physical segment	3	0.00
Demat segment		
● NSDL	7,72,65,063	82.32%
● CDSL	1,65,93,651	17.68%
<b>Total</b>	<b>93,858,717</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.

## Corporate Governance Report (Contd.)

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

### OUTSTANDING ADRS/GDRS AND OTHER INSTRUMENTS

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

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

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

The Company had declared interim dividend in 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 May, 2017. 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 29 September, 2016 (date of last Annual General Meeting) on the Company's website at [www.erosintl.com](http://www.erosintl.com) and on the website of the Ministry of Corporate Affairs.

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

#### Address for General Correspondence

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

### OTHER DISCLOSURES

#### Disclosure on Material Related Party Transactions

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

### Details of Non-Compliance

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

### Whistle Blower Policy

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

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

### Others

- During the year ended 31 March, 2017, Mr. Vijay Ahuja, Non-Executive and Non-Independent Director liable to retire by rotation at the annual general meeting held on 29 September, 2016, elected not be reappointed and retired from the Board at the annual general meeting, and as such, the Company resolved not to fill up the resultant vacancy.
- The Company has in place the Succession Policy for appointments at the Board and to Senior Management level.

### SUBSIDIARIES

As on 31 March, 2017, the Company has 15 subsidiaries (including 10 direct subsidiaries and 5 indirect subsidiaries). Out of 10 direct subsidiaries, 8 are Indian and other 2 are foreign.

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

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

## RELATED PARTY TRANSACTION

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

### Insider Trading Regulations

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

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

The Annual disclosures as required from Directors, Key Managerial Personnel, Senior Management Personnel and other Designated Employees for adherence to this Code during the financial year 2016-17 have been received by the Company and certificate to that effect from the Executive Vice-Chairman & Managing Director is annexed hereto and forms part of this Report.

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

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

### Secretarial Audit

M/s. Makarand M. Joshi & Co., Practising Company Secretary, carried out various audits during the year:

- Quarterly Secretarial Audit

- Annual Secretarial Audit as required under Section 204 of the Companies Act, 2013 & applicable rules thereto.

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

## CEO/CFO CERTIFICATION

A certificate in accordance with Regulation 17(8) of SEBI Listing Regulations signed by Mr. Sunil Lulla, Executive Vice Chairman and Managing Director of the Company and Mr. Dinesh Modi, Group Chief Financial Officer (India) 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.

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

## COMPLIANCE OF DISCRETIONARY REQUIREMENTS

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

### A. The Board

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

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

The Company has appointed two separate persons for the post of Chairperson of the Company and Managing Director. Mr. Naresh Chandra act as the Chairperson of the Board whereas Mr. Sunil Lulla is the Managing Director of the Company.

### C. Reporting of Internal Auditor

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

## Corporate Governance Report (Contd.)

### COMPLIANCE WITH CORPORATE GOVERNANCE MANDATORY REQUIREMENTS

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

### OTHER DISCLOSURES

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

### Code of Conduct

The Board has laid down a Code of Business Conduct and Ethics for all the Directors, Key Managerial Personnel and Senior Managerial Personnel of the Company in accordance with the requirement under Regulation 17(5) of SEBI Listing Regulations. The Code has also been posted on the website of the Company at [www.erosintl.com](http://www.erosintl.com). All the Board Members, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the said Code for the financial year ending 31 March, 2017.

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

In accordance with Schedule IV of the 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 at [www.erosintl.com](http://www.erosintl.com).

All Independent Directors have confirmed to the Company that they have adhered to and complied with the said Code for the financial year end 31 March, 2017.

### DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

To the best of my knowledge and belief, I hereby affirm that all the Board Members and Senior Management Personnel of the Company have fully complied with the provisions of the code of conduct as laid down by the Company for Directors and Senior Management Personnel during the financial year ended on 31 March, 2017.

For and on behalf of the Board

**Sunil Lulla**

Executive Vice-Chairman and Managing Director

Date : 26 May, 2017

Place : New Delhi

## CEO/CFO CERTIFICATE

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 2017,

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Indian Accounting Standards (INDAS), 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

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

Date : 26 May, 2017  
Place : New Delhi



## Corporate Governance Report (Contd.)

### CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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 31st March, 2017 as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with stock exchange(s).

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 representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**Makarand Joshi**  
Partner  
FCS No.: 5533  
CP No.: 3662

Place: Mumbai  
Date: 18 May, 2017

### EQUITY SHARES IN THE SUSPENSE ACCOUNT

In terms of Schedule V(F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2016)	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, 2017)	4 Shareholders	169 Equity Shares

The voting rights on the shares in the suspense accounts as on 31 March 2017 shall remain frozen till the rightful owners of such shares claim the shares.

# Independent Auditor's Report

To the Members of Eros International Media Limited

## Report on the Standalone Financial Statements

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 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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 these 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. 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 these 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 including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## Other Matter

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 26 May 2016 and 29 May 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. Further to our comments in Annexure B, 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 standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 26 May 2017 as per Annexure B expressed an unqualified opinion;
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company, as detailed in Note 40 to the standalone financial statements, has disclosed the impact of pending litigations on its 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
    - iv. the Company, as detailed in Note 47 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

Place: Mumbai  
Date : 26 May 2017

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

## Annexure A

to the Independent Auditor's Report of even date to the members of Eros International Media Limited, on the standalone financial statements for the year ended 31 March 2017

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, and to the best of our knowledge and belief, 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 by engaging the outside expert 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.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year 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,
  - (a) in our opinion the terms and conditions of the grant of such loans are prima facie, not prejudicial to the Company's interests.
- (b) the schedule of repayment of principal and interest has been stipulated wherein the principal and interest amounts are repayable on demand. Since the repayment of such loans has not been demanded, in our opinion, the repayment of the principal and interest amount is regular.
- (c) there is no overdue amount in respect of loans granted to such companies and firms.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, 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.
- (vi) 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) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

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

Name of the statute	Nature of the dues	Amount in lakhs (₹)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Self-assessment Tax	1,411.49	Assessment Year 2016-2017	31 March 2016	Unpaid
Income Tax Act, 1961	Advance Income Tax (Including interest)	2,281.55	Assessment Year 2017-2018	15 September 2016	Unpaid
Income Tax Act, 1961	Tax deducted at Source including interest	98.90	April - 2016	7 May 2016	Unpaid
Income Tax Act, 1961	Tax deducted at Source	60.06	May - 2016	7 June 2016	Unpaid
Income Tax Act, 1961	Tax deducted at Source	129.42	June - 2016	7 July 2016	Unpaid
Income Tax Act, 1961	Tax deducted at Source	336.92	July - 2016	7 August 2016	Unpaid
Income Tax Act, 1961	Tax deducted at Source	386.22	August - 2016	7 September 2016	Unpaid
Finance Act, 1994	Service Tax including interest	285.33	April - 2016	6 May 2016	Unpaid
Finance Act, 1994	Service Tax including interest	410.82	May - 2016	6 June 2016	Unpaid
Finance Act, 1994	Service Tax including interest	1,338.13	August - 2016	6 September 2016	Unpaid
Finance Act, 1994	Service Tax including interest	1,607.17	October 2015 - March 2016	31 March 2016	Unpaid
Finance Act, 1994	Krishi Kalyan Cess including interest	47.76	August - 2016	6 September 2016	Unpaid
Finance Act, 1994	Swachh Bharat Cess including interest	121.64	April 2016 - August - 2016	6 September 2016	Unpaid

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

## Statement of Disputed Dues

Name of the statute	Nature of dues	Amount in lakhs (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1944	Sales tax	12.37	-	Financial Year 2005-06	Joint Commissioner of sales tax (Appeals)
Maharashtra Value Added Tax, 2002	Sales tax	0.70	-	Financial Year 2005-06	Joint Commissioner of sales tax (Appeals)
Central Sales Tax Act, 1944	Sales tax	13.33	-	Financial Year 2007-08	Joint Commissioner of sales tax (Appeals)
Maharashtra Value Added Tax, 2002	Sales tax	517.49	-	Financial Year 2007-08	Joint Commissioner of sales tax (Appeals)
Central Sales Tax Act, 1944	Sales tax	16.26	2.00	Financial Year 2008-09	Joint Commissioner of sales tax (Appeals)
Maharashtra Value Added Tax, 2002	Sales tax	284.62	15.00	Financial Year 2008-09	Joint Commissioner of sales tax (Appeals)
Maharashtra Value Added Tax, 2002	Sales tax	455.71	-	Financial Year 2009-10	Deputy Commissioner of sales tax (Appeals)
Central Sales Tax Act, 1944	Sales tax	15.56	-	Financial Year 2009-10	Deputy Commissioner of sales tax (Appeals)
Income tax Act, 1961	Income tax	2.01	-	Assessment Year 2003-04	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	37.64	-	Assessment Year 2004-05	High Court
Income tax Act, 1961	Income tax	17.11	-	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax, penalties and interest	31,350.04	1,000.00	Financial Year 2009-10 to 2013-14	Assistant Commissioner of Sales tax (Appeals)
Finance Act, 1994	Service Tax	256.59	-	Financial Year from 2013-14 to 2015-16	Assistant Commissioner of Sales tax (Appeals)
Finance Act, 1994	Service Tax	204.00	-	Financial Year 2016-17	Assistant Commissioner of Sales tax (Appeals)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

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

Place: Mumbai  
Date : 26 May 2017

## Annexure B

to the Independent Auditor's Report of even date to the members of Eros International Media Limited, on the standalone financial statements for the year ended 31 March 2017

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of Eros International Media Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

Place: Mumbai  
Date : 26 May 2017

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



# Balance Sheet

as at 31 March 2017

Amount ₹ in Lakhs

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	3,966	4,138	4,083
Intangible assets	4			
a) Content advances		119,967	109,468	77,809
b) Film rights		88,743	91,538	82,357
c) Others intangible assets		34	36	32
d) Intangible assets under development		53	854	5
Financial assets				
a) Investments	5	6,803	7,321	2,043
b) Loans	6	2,512	2,346	1,419
c) Restricted deposits	7	217	574	382
d) Other financial assets	8	722	781	841
Other non-current assets	9	4,740	3,608	2,475
<b>Total non-current assets</b>		<b>227,757</b>	<b>220,664</b>	<b>171,446</b>
<b>Current assets</b>				
Inventories	10	46	307	104
Financial assets				
a) Trade receivables	11	26,505	13,982	23,399
b) Cash and cash equivalents	12	131	1,719	2,704
c) Restricted deposits	13	4,255	1,206	1,150
d) Loans and advances	14	1,479	2,808	3,674
e) Other financial assets	15	184	130	106
Other current assets	16	106	301	785
<b>Total current assets</b>		<b>32,706</b>	<b>20,453</b>	<b>31,922</b>
<b>Total assets</b>		<b>260,463</b>	<b>241,117</b>	<b>203,368</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	17	9,385	9,358	9,250
Other equity	18	125,656	111,141	93,526
<b>Total equity</b>		<b>135,041</b>	<b>120,499</b>	<b>102,776</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
a) Borrowings	19	14,912	10,512	9,533
b) Trade payables	20	101	104	98
c) Other financial liabilities	21	1	3	3
Employee benefit obligations	22	351	254	213
Deferred tax liabilities	23	22,358	19,372	16,482
Other non-current liabilities	24	3,016	102	-
<b>Total non-current liabilities</b>		<b>40,739</b>	<b>30,347</b>	<b>26,329</b>
<b>Current liabilities</b>				
Financial liabilities				
a) Borrowings	25	41,534	17,223	30,993
b) Acceptances	26	5,795	5,749	-
c) Trade payables		10,731	11,902	4,648
d) Other financial liabilities	27	9,001	10,046	8,530
Employee benefit obligations	28	198	131	111
Current tax liabilities	29	4,265	2,846	1,554
Other current liabilities	30	13,159	42,374	28,427
<b>Total current liabilities</b>		<b>84,683</b>	<b>90,271</b>	<b>74,263</b>
<b>Total liabilities</b>		<b>125,422</b>	<b>120,618</b>	<b>100,592</b>
<b>Total equity and liabilities</b>		<b>260,463</b>	<b>241,117</b>	<b>203,368</b>

Notes 1 to 53 form an integral part of these standalone financial statements  
As per our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants  
Firm Registration No.: 001076N/N500013

**Adi P. Sethna**  
Partner

Membership No: 108840

Place: Mumbai  
Date : 26 May 2017

For and on behalf of Board of Directors

**Sunil Lulla**  
Executive Vice Chairman and Managing  
Director (DIN: 00243191)

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

Place: New Delhi  
Date : 26 May 2017

**Jyoti Deshpande**  
Executive Director  
(DIN: 02303283)

**Dimple Mehta**  
Vice President - Company Secretary  
and Compliance Officer

## Statement of Profit and Loss

for the year ended 31 March 2017

Amount ₹ in Lakhs			
	Notes	Year ended 31 March 2017	Year ended 31 March 2016
<b>Revenue</b>			
Revenue from operations (net)	31	114,618	117,868
Other income	32	1,848	1,334
<b>Total revenue</b>		<b>116,466</b>	<b>119,202</b>
<b>Expenses</b>			
Film right costs including amortisation costs	33	68,033	77,433
Changes in inventories of film rights	34	262	(203)
Employee benefits expense	35	5,413	4,503
Finance costs (net)	36	5,201	3,372
Depreciation and amortisation expense	37	532	545
Other expenses	38	15,925	15,496
<b>Total expenses</b>		<b>95,366</b>	<b>101,146</b>
Profit before tax		21,100	18,056
<b>Tax expense</b>			
Current tax		7,415	3,965
Deferred tax		447	2,899
Short/(excess) provision of earlier years		199	(71)
		<b>8,061</b>	<b>6,793</b>
<b>Profit after tax for the year</b>		<b>13,039</b>	<b>11,263</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement gain on defined benefit plan		(22)	13
Income tax effect (net)		-	(1)
<b>Total comprehensive income for the year</b>		<b>13,017</b>	<b>11,275</b>
<b>Earnings per share</b>			
Basic (in ₹) (nominal value ₹ 10)	39	13.92	12.09
Diluted (in ₹) (nominal value ₹ 10)		13.68	11.99

Notes 1 to 53 form an integral part of these standalone financial statements  
As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants  
Firm Registration No.: 001076N/N500013

**Adi P. Sethna**  
Partner

Membership No: 108840

Place: Mumbai  
Date : 26 May 2017

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

**Sunil Lulla**  
Executive Vice Chairman and Managing  
Director (DIN: 00243191)

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

Place: New Delhi  
Date : 26 May 2017

**Jyoti Deshpande**  
Executive Director  
(DIN: 02303283)

**Dimple Mehta**  
Vice President - Company Secretary  
and Compliance Officer

# Statement of Changes in Equity

as at 31 March 2017

## A. Equity share capital

	Number	Amount ₹ in Lakhs
<b>Balance as at 1 April 2015</b>	<b>92,507,274</b>	<b>9,250</b>
Add: Issued on exercise of employee share options	180,920	18
Add: Acquisition of subsidiary	900,970	90
<b>Balance as at 31 March 2016</b>	<b>93,589,164</b>	<b>9,358</b>
Add: Issued on exercise of employee share options	269,553	27
<b>Balance as at 31 March 2017</b>	<b>93,858,717</b>	<b>9,385</b>

## B. Other equity

	Amount ₹ in Lakhs				
	Share Premium Account	General Reserves	Share Options Outstanding	Retained Earnings	Total other equity
<b>Balance as at 1 April 2015</b>	31,860	526	1,088	60,052	93,526
Profit for the year	-	-	-	11,263	11,263
Other comprehensive income / (loss) for the year	-	-	-	12	12
<b>Total Comprehensive income/ (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,275</b>	<b>11,275</b>
Acquisition of Techzone under business combination	5,191	-	-	-	5,191
Additions for employee stock options exercised during the year	53	-	-	-	53
Transfer from/to share option outstanding account	409	-	(409)	-	-
Employee stock option compensation expense	-	-	1,096	-	1,096
<b>Balance as at 31 March 2016</b>	<b>37,513</b>	<b>526</b>	<b>1,775</b>	<b>71,327</b>	<b>111,141</b>
Profit for the year	-	-	-	13,039	13,039
Other comprehensive income / (loss) for the year	-	-	-	(22)	(22)
<b>Total Comprehensive income/ (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,017</b>	<b>13,017</b>
Additions for employee stock options exercised during the year	-	-	-	-	-
Transfer from/to share option outstanding account	628	-	(628)	-	-
Employee stock option compensation expense	-	-	1,498	-	1,498
<b>Balance as at 31 March 2017</b>	<b>38,141</b>	<b>526</b>	<b>2,645</b>	<b>84,344</b>	<b>125,656</b>

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Adi P. Sethna**

Partner

Membership No: 108840

Place: Mumbai

Date : 26 May 2017

For and on behalf of Board of Directors

**Sunil Lulla**

Executive Vice Chairman and Managing Director (DIN: 00243191)

**Dinesh Modi**

Group Chief Financial Officer (India)

Place: New Delhi

Date : 26 May 2017

**Jyoti Deshpande**

Executive Director (DIN: 02303283)

**Dimple Mehta**

Vice President - Company Secretary and Compliance Officer

## Cash Flow Statement

for the year ended 31 March 2017

Amount ₹ in lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	21,100	18,056
Non-cash adjustments to reconcile Profit before tax to net cash flows		
Depreciation and amortisation	36,686	53,542
Trade receivables written off	206	792
Sundry balances written back	(316)	(36)
Content advances written off	450	276
Provision for doubtful advances	283	-
Advances and deposits written off	287	-
Provision for doubtful trade receivables	543	67
Finance costs	5,409	3,522
Interest income	(311)	(1,021)
(Gain) on sale of tangible assets (net)	(1)	(1)
Impairment loss on Investment in techzone	552	-
Expense on employee stock option scheme	1,398	1,096
Unrealised foreign exchange gain	229	296
<b>Operating profit before working capital changes</b>	<b>66,515</b>	<b>76,589</b>
Movements in working capital:		
Increase/(Decrease) in current liabilities	(26,301)	13,835
Increase/(Decrease) in other financial liabilities	192	(6)
Increase in trade payables	281	6,638
Increase in employee benefit obligations	164	53
Decrease in inventories	18	48
(Increase)/Decrease in trade receivables	(13,185)	7,479
Decrease in other current assets	195	(654)
(Increase) /Decrease in other non- current assets	(1,132)	(1,766)
(Increase)/Decrease in short-term loans and advances	511	867
Decrease in other financial assets	59	-
<b>Cash generated from operations</b>	<b>27,317</b>	<b>103,083</b>
Taxes paid (net)	(4,250)	(2,664)
<b>Net cash generated from operating activities (A)</b>	<b>23,067</b>	<b>100,419</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible assets	(383)	(497)
Purchase of intangible film rights and related content	(45,216)	(85,380)
Deposits with banks (net)	(2,692)	(247)
Advance given to an undertaking	1,014	-
Proceeds from sale of fixed assets	1	2
Interest income	258	888
<b>Net cash used in investing activities (B)</b>	<b>(47,018)</b>	<b>(85,234)</b>

Amount ₹ in lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares (net)	27	71
Repayment of long-term borrowings	(7,976)	(6,142)
Proceeds from long-term borrowings	11,074	9,024
Change in short-term borrowings	23,832	(13,740)
Finance charges (net)	(4,594)	(5,383)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>22,363</b>	<b>(16,170)</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(1,588)</b>	<b>(985)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,719</b>	<b>2,704</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>131</b>	<b>1,719</b>

\*Amount represents less than ₹ 1 lakh

Notes 1 to 53 form an integral part of these standalone financial statements  
As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants  
Firm Registration No.: 001076N/N500013

**Adi P. Sethna**  
Partner

Membership No: 108840

Place: Mumbai  
Date : 26 May 2017

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

**Sunil Lulla**  
Executive Vice Chairman and Managing  
Director (DIN: 00243191)

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

Place: New Delhi  
Date : 26 May 2017

**Jyoti Deshpande**  
Executive Director  
(DIN: 02303283)

**Dimple Mehta**  
Vice President - Company Secretary  
and Compliance Officer

## Summary of Significant Accounting Policies

### Corporate Information

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

These standalone financial statements were authorised for issue in accordance with a resolution of the Directors on 26 May 2017.

### Basis of preparation

For all periods, up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2017 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. These are the first Ind-AS financial statements of the Company, wherein the Company has restated its Balance Sheet as at 1 April 2015 and financial statements for the year ended and as at 31 March 2016 also as per Ind-AS.

The standalone financial statements have been prepared on a historical cost basis, except for the following:

- ⦿ Employee Stock Option Compensation measured at fair value (refer accounting policy on ESOP).
- ⦿ Accounting of Business Combinations at fair value

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.

### 1. Significant accounting policies

#### a. Revenue recognition

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

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

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

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

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

### Other income

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

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

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

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes etc. up to the date the asset is ready for its intended use. Depreciation is provided under written down value method at the rates and in the manner prescribed under Schedule II to the Companies Act, 2013.

#### c. Intangible assets

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

Investments in films and associated rights, including acquired rights and distribution advances in respect of completed films, are stated at cost less amortisation less provision for impairment. Costs include production costs, overhead and



## Summary of Significant Accounting Policies

capitalized interest costs net of any amounts received from third party investors. A charge is made to write down the cost of completed rights over the estimated useful lives, writing off more in year one which recognizes initial income flows and then the balance over a period of up to nine years, except where the asset is not yet available for exploitation. The average life of the assets is the lesser of 10 years or the remaining life of the content rights. The amortisation charge is recognized in the Statement of profit and loss within Film right costs including amortisation costs. The determination of useful life is based upon Management's judgment and includes assumptions on the timing and future estimated revenues to be generated by these assets.

Intangible assets comprising film scripts and related costs are stated at cost less amortisation less provision for impairment. The script costs are amortized over a period of 3 years on a straight-line basis and the amortisation charge is recognized in the Statement of profit and loss within Film right costs including amortisation costs. The determination of useful life is based upon Management's estimate of the period over which the Company explores the possibility of making films using the script.

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

### d. Impairment of non-financial assets

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

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external or internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'value in use'.

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

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

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

### e. Borrowing costs

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

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

### f. Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on risk exposure arising from financial assets like debt instruments measured at amortised cost e.g., trade receivables and deposits.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables. The application of simplified approach does not require the Company to track changes

## Summary of Significant Accounting Policies

in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

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

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

### g. Inventories

Inventories primarily comprise of music CDs and DVDs, and are valued at the lower of cost and net realizable value. Cost in respect of goods for resale is defined as purchase price, including appropriate labour costs and other overhead costs. Cost in respect of raw materials is purchase price.

Purchase price is assigned using a weighted average basis. Net realizable value is defined as anticipated selling price or anticipated revenue less cost to completion.

### h. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligations and can be reliably measured. Provisions are measured at Management's best estimate of the expenditure required to settle the obligations at the statement of financial position date and are discounted to present value where the effect is material.

### i. Retirement and other employee benefits

#### Defined contribution plan

Provident fund & National Pension scheme: The Company's contributions paid or payable during the year to the provident fund, employee's state insurance corporation and National pension scheme are recognized in the Statement of profit and loss. This fund is administered by the respective Government authorities, and the Company has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

#### Defined benefit plan

Gratuity: The Company's liability towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The cost for past services is recognized on a straight line basis over the average period until the amended benefits become vested. Re-measurement gains and losses are recognized immediately in the Other Comprehensive Income as income or expense and are not reclassified to profit or loss in subsequent periods. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Compensated absences: Accumulated compensated absences are expected to be availed or encashed within 12 months from the end of the year and are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

## Summary of Significant Accounting Policies

### Employee stock option compensation

In accordance with Ind AS 102 Share Based Payments, the fair value of shares or options granted is recognized as personnel costs with a corresponding increase in equity. The fair value is measured at the grant date and spread over the period during which the recipient becomes unconditionally entitled to payment unless forfeited or surrendered.

The fair value of share options granted is measured using the Black Scholes model, each taking into account the terms and conditions upon which the grants are made. At each Balance Sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of non-market based vesting conditions. The amount recognized as an expense is adjusted to reflect the revised estimate of the number of equity instruments that are expected to become exercisable, with a corresponding adjustment to equity reserves. The Company's share option plan does not feature any cash settlement option.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares are allocated to share capital with any excess being recorded as share premium.

### j. Leases

A lease is classified at the inception date as a finance lease or an operating lease. Leases in which significantly all the risks and rewards incidental to ownership are transferred to the lessee are classified as finance leases. All other leases are operating Leases. Payments under operating leases are charged to the Statement of profit and loss on a straight line basis over the period of the lease.

### k. Foreign Currency

Transactions in foreign currencies are translated at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated at the prevailing rates of exchange at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognized in the Statement of profit and loss in the period in which they arise. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value

was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Company's functional currency and the presentation currency is same i.e. Indian Rupee (₹).

### I. Financial instrument

#### Non-derivative financial instruments

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities (other than financial assets and liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in Statement of profit and loss. Financial assets and financial liabilities are offset against each other and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

A financial instrument is measured at fair value through profit or loss if:

- ⦿ it has been acquired principally for the purpose of selling/repurchasing it in the near term;
- ⦿ on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent pattern of short term profit taking; or
- ⦿ it is a derivative that is not designated in a hedging relationship.

The fair value of financial instruments denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore for financial instruments that are classified as fair value through profit and loss, the exchange component is recognized in Statement of profit and loss.

## Summary of Significant Accounting Policies

### Financial Assets

Financial assets are divided into the following categories:

- financial assets carried at amortised cost
- financial assets at fair value through other comprehensive income
- financial assets at fair value through profit and loss;

Financial assets are assigned to the different categories by management on initial recognition, depending on the nature and purpose of the financial assets. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available. Financial Assets like Investments in Subsidiaries are measured at Cost as allowed by Ind-AS 27 – Separate Financial Statements and hence are not fair valued.

### Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These are non-derivative financial assets that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank and cash balances) are measured subsequent to initial recognition at amortized cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognized in the Statement of profit and loss.

In accordance with Ind AS 109: Financial Instruments, the Company recognizes impairment loss allowance on trade receivables and content advances based on historically observed default rates. Impairment loss allowance recognized during the year is charged to Statement of profit and loss.

### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are non-derivative financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. It includes non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. Gains and losses arising from investments classified under this category is recognized in the Statement of profit and loss when they are sold or when the investment is impaired.

In the case of impairment, any loss previously recognized in other comprehensive income is transferred to the Statement of profit and loss. Impairment losses recognized in the Statement of profit and loss on equity instruments are not reversed through the Statement of profit and loss. Impairment losses recognized previously on debt securities are reversed through the Statement of profit and loss when the increase can be related objectively to an event occurring after the impairment loss was recognized in the Statement of profit and loss.

When the Company considers that fair value of financial assets can be reliably measured, the fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company applies its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. Equity instruments measured at fair value through profit or loss that do not have a quoted price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment at the end of each reporting period.

An assessment for impairment is undertaken at least at each balance sheet date.

A financial asset is derecognized only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Company retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Company transfers substantially all the risks and rewards of ownership of the asset, or if the Company neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

### Financial liabilities

Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial

## Summary of Significant Accounting Policies

liabilities'. Financial liabilities are subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss.

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading such as a derivative, except for a designated and effective hedging instrument, or if upon initial recognition it is thus designated to eliminate or significantly reduce measurement or recognition inconsistency or it forms part of a contract containing one or more embedded derivatives and the contract is designated as fair value through profit or loss.

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

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

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

A financial liability is derecognized only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires. Changes in liabilities' fair value that are reported in profit or loss are included in the Statement of profit and loss within finance costs or finance income.

### **m. Taxes**

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

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

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

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

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

### **n. Earnings per share**

Basic earnings per share is computed using the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is computed by considering the impact of the potential issuance of ordinary shares, on the weighted average number of shares outstanding during the period except where the results would be antidilutive.

### **o. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments which are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Deposits held with banks as security for overdraft facilities are included in restricted deposits held with bank.

### **p. Segment reporting**

Ind-AS 108 Operating Segments ("Ind-AS 108") requires operating segments to be identified on the same basis as is used internally for the review of performance and allocation of resources by the Chief Operating Decision

## Summary of Significant Accounting Policies

Maker. The revenues of films are earned over various formats; all such formats are functional activities of filmed entertainment and these activities take place on an integrated basis. The management team reviews the financial information on an integrated basis for the Company as a whole, with respective heads of business for each region and in accordance with Ind-AS 108, the Company provides a geographical split as it considers that all activities fall within one segment of business which is filmed entertainment. The management team also monitors performance separately for individual films or for at least 12 months after the theatrical release.

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

### q. Standards Issued but not yet Effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from 1 April, 2017.

#### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

#### Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from

the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The company is evaluating the requirements of the amendment and their effect on the financial statements.

## 2. Significant accounting judgements, estimates and assumptions

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

### a. Intangible Assets

The Company is required to identify and assess the useful life of intangible assets and determine their income generating life. Judgment is required in determining this and then providing an amortisation rate to match this life as well as considering the recoverability or conversion of advances made in respect of securing film content or the services of talent associated with film production.

Accounting for the film content requires management's judgment as it relates to total revenues to be received and costs to be incurred throughout the life of each film or its license period, whichever is the shorter. These judgments are used to determine the amortisation of capitalized film content costs. The Company uses a stepped method of amortisation on first release film content writing off more in year one which recognizes initial income flows and then the balance over a period of up to nine years. In the case of film content that is acquired by the Company after its initial exploitation, commonly referred to as Library, amortisation is spread evenly over the lesser of 10 years or the license period. Management's policy is based upon factors such as historical performance of similar films, the star power of the lead actors and actresses and others. Management regularly reviews, and revises when necessary, its estimates, which may result in a change in the rate of amortisation and/or a write down of the asset to the recoverable amount.

The Company tests annually whether intangible assets have suffered any impairment, in accordance with the accounting policy. These calculations require judgements



## Notes

### to the standalone financial statements and other explanatory information

and estimates to be made, and in the event of an unforeseen event these judgments and assumptions would need to be revised and the value of the intangible assets could be affected. There may be instances where the useful life of an asset is shortened to reflect the uncertainty of its estimated income generating life.

#### b. Employee benefit plans

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future.

For further details refer to Note 41a

#### c. Fair value measurement of ESOP Liability

The fair value of ESOP Liability is determined using valuation methods which involves making various assumptions that may differ from actual developments in the future. For further details refer Note 41d

### 3 Property, plant and equipment

Details of the Company's property, plant and equipment and their carrying amounts are as follows:

Amount ₹ in Lakhs									
Gross carrying amount	Buildings	Leasehold improvements	Furniture and fixtures	Motor vehicles	Office equipment	Data processing equipment	Studio equipment	Capital work in progress	Total
<b>Balance as at 1 April 2015</b>	<b>3,317</b>	-	<b>149</b>	<b>146</b>	<b>26</b>	<b>158</b>	<b>287</b>	-	<b>4,083</b>
Additions	-	-	7	29	22	111	-	436	605
Adjustments/ disposals	-	-	-	(13)	-	-	-	-	(13)
Capitalized during the year	-	-	-	-	-	-	-	(28)	(28)
<b>Balance as at 31 March 2016</b>	<b>3,317</b>	-	<b>156</b>	<b>162</b>	<b>48</b>	<b>269</b>	<b>287</b>	<b>408</b>	<b>4,647</b>
Additions	-	258	118	138	119	108	-	7	748
Adjustments/ disposals	-	-	-	(4)	(4)	-	-	-	(8)
Capitalized during the year	-	-	-	-	-	-	-	(402)	(402)
<b>Balance as at 31 March 2017</b>	<b>3,317</b>	<b>258</b>	<b>274</b>	<b>296</b>	<b>163</b>	<b>377</b>	<b>287</b>	<b>13</b>	<b>4,985</b>
<b>Accumulated depreciation</b>									
Depreciation charge	161	-	65	56	19	131	90	-	522
Adjustments/ disposals	-	-	-	(13)	-	-	-	-	(13)
<b>Balance as at 31 March 2016</b>	<b>161</b>	-	<b>65</b>	<b>43</b>	<b>19</b>	<b>131</b>	<b>90</b>	-	<b>509</b>
Depreciation charge	153	33	51	62	39	118	61	-	517
Adjustments/ disposals	-	-	-	(3)	(4)	-	-	-	(7)
<b>Balance as at 31 March 2017</b>	<b>314</b>	<b>33</b>	<b>116</b>	<b>102</b>	<b>54</b>	<b>249</b>	<b>151</b>	-	<b>1,019</b>
<b>Net carrying amount</b>									
Balance as at 1 April 2015	3,317	-	149	146	26	158	287	-	4,083
Balance as at 31 March 2016	3,156	-	91	119	29	138	197	408	4,138
Balance as at 31 March 2017	<b>3,003</b>	<b>225</b>	<b>158</b>	<b>194</b>	<b>109</b>	<b>128</b>	<b>136</b>	<b>13</b>	<b>3,966</b>

- The Company's immovable property situated in Mumbai, India is pledged against the borrowings as explained in note No. 19 and 25
- As explained in note 48, the Company has used Indian GAAP carrying value of its Property, plant and equipment on date of transition as deemed cost, accordingly, the net carrying amount as per Indian GAAP as on 1 April 2015 has been considered as gross carrying value under Ind-AS 101.

## Notes

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### 4 Intangible assets

Details of the Company's Intangible assets and their carrying amounts are as follows:

Amount ₹ in Lakhs				
Gross carrying amount	Content advances	Film rights	Other intangible assets	Total
<b>Balance as at 1 April 2015</b>	77,809	82,357	32	82,389
Additions	109,221	62,178	27	62,205
Transfer to film and content rights	(77,286)	-	-	-
Amount written off	(276)	-	-	-
<b>Balance as at 31 March 2016</b>	<b>109,468</b>	<b>144,535</b>	<b>59</b>	<b>144,594</b>
Additions	79,698	37,321	13	37,334
Transfer to film and content rights	(68,652)	(3,962)	-	(3,962)
Amount written off	(450)	-	-	-
Provision for Doubtful advances	(97)	-	-	-
<b>Balance as at 31 March 2017</b>	<b>119,967</b>	<b>177,894</b>	<b>72</b>	<b>177,966</b>
<b>Accumulated amortisation</b>				
<b>Balance as at 1 April 2015</b>	-	-	-	-
Amortisation charge	-	52,997	23	53,020
<b>Balance as at 31 March 2016</b>	-	<b>52,997</b>	<b>23</b>	<b>53,020</b>
Amortisation charge	-	36,154	15	36,169
<b>Balance as at 31 March 2017</b>	-	<b>89,151</b>	<b>38</b>	<b>89,189</b>
<b>Net carrying amount</b>				
Balance as at 1 April 2015	77,809	82,357	32	82,389
Balance as at 31 March 2016	109,468	91,538	36	91,574
Balance as at 31 March 2017	<b>119,967</b>	<b>88,743</b>	<b>34</b>	<b>88,777</b>

- As explained in note 48, the Company has used Indian GAAP carrying value of its intangible assets on date of transition as deemed cost, accordingly, the net carrying amount as per Indian GAAP as on 1 April 2015 has been considered as gross carrying value under Ind-AS 101.

### 5 Investments

Amount ₹ in Lakhs			
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>A Non current investments</b>			
<b>Unquoted equity shares</b>			
i) Investment in equity shares of subsidiaries accounted at cost			
<b>Eros International Films Private Limited</b>			
19,930,300 (31 March 2016 : 19,930,300 ; 1 April 2015 : 19,930,300 ) equity shares of ₹ 10 each, fully paid-up	1,993	1,993	1,993
<b>Eros Animation Private Limited</b>			
9,300 (31 March 2016 : 9,300 ; 1 April 2015 : 9,300) equity shares of ₹ 10 each, fully paid-up	1	1	1
<b>Copsale Limited</b>			
105,000 (31 March 2016 : 105,000 ; 1 April 2015 : 105,000) equity shares of USD 1 each, fully paid-up	45	45	45
<b>Big Screen Entertainment Private Limited</b>			
6,400 (31 March 2016 : 6,400 ; 1 April 2015 : 6,400) equity shares of ₹ 10 each, fully paid-up	1	1	1
<b>EyeQube Studios Private Limited</b>			
9,999 (31 March 2016 : 9,999 ; 1 April 2015 : 9,999) equity shares of ₹ 10 each, fully paid-up	1	1	1

## Notes

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### 5 Investments (Contd.)

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>EM Publishing Private Limited</b>			
9,900 (31 March 2016 : 9,900 ; 1 April 2015 : 9,900) equity shares of ₹ 10 each, fully paid-up	1	1	1
<b>Digicine PTE Limited*</b>			
100 (31 March 2016 : 100 ; 1 April 2015 : 100) equity shares of USD 1 each, fully paid-up	0	0	0
<b>Colour Yellow Productions Private Limited</b>			
5,000 (31 March 2016 : 5,000 ; 1 April 2015 : 5,000) equity shares of ₹ 10 each, fully paid-up	1	1	1
<b>ii) Investment in equity shares of subsidiaries accounted at fair value (refer to note 48)</b>			
<b>Universal Power Systems Private Limited #</b>			
1,000 (31 March 2016 : 1,000 ; 1 April 2015 : Nil) equity shares of ₹ 100 each, fully paid-up	5,312	5,278	-
Less: Provision for impairment in the value of investment	(552)	-	-
<b>Total</b>	<b>6,803</b>	<b>7,321</b>	<b>2,043</b>

\*amount represents less than ₹ one lakh

Aggregate value of unquoted investments	7,355	7,321	2,043
Aggregate value of impairment in the value of investment	552	-	-

# Increase in value of investment is due to ESOP benefits provided to subsidiary

### 6 Loans

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Unsecured</b>			
Amounts due from related parties (refer note 43)	39	614	39
Other loans and advances			
Considered good	2,473	1,732	1,380
Considered doubtful	186	-	-
Less: Allowances for doubtful loans	(186)	-	-
<b>Total</b>	<b>2,512</b>	<b>2,346</b>	<b>1,419</b>

### 7 Restricted deposits

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Bank deposits with maturity of more than twelve months	217	574	382
<b>Total</b>	<b>217</b>	<b>574</b>	<b>382</b>

## Notes

to the standalone financial statements and other explanatory information

### 8 Other financial assets

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Security deposits to			
- Related parties (refer note 43)	651	676	704
- Others	71	105	137
<b>Total</b>	<b>722</b>	<b>781</b>	<b>841</b>

### 9 Other non- current assets

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Advance payment of taxes	326	326	443
(b) Balances due with Statutory Authorities	4,414	3,282	2,032
<b>Total</b>	<b>4,740</b>	<b>3,608</b>	<b>2,475</b>

### 10 Inventories

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
VCD/ DVD/ Audio CDs	38	56	104
Film rights	8	251	-
<b>Total</b>	<b>46</b>	<b>307</b>	<b>104</b>

### 11 Trade receivables

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured, considered good	1,771	1,802	-
Unsecured, considered good	16,145	5,240	8,301
Considered doubtful	934	391	324
Dues from related parties (refer note 43)	8,589	6,940	15,098
	<b>27,439</b>	<b>14,373</b>	<b>23,723</b>
Less : Provision for doubtful receivables	(934)	(391)	(324)
<b>Total</b>	<b>26,505</b>	<b>13,982</b>	<b>23,399</b>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. All accounts receivable are pledged against borrowing which are shown under note 19 and 25

### 12 Cash and cash equivalents

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
a. Cash on hand	13	8	16
b. Cheques on hand	20	72	667
c. Balances with banks			
In current account	97	1,638	1,665
In deposit account (with original maturity of less than 3 months)	1	1	356
<b>Total</b>	<b>131</b>	<b>1,719</b>	<b>2,704</b>

## Notes

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### 13 Restricted deposits

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unclaimed dividend account	1	1	1
Margin money accounts with:			
maturity less than 12 months	4,254	1,205	1,149
maturity more than twelve months	217	574	382
	<b>4,472</b>	<b>1,780</b>	<b>1,532</b>
Less: disclosed under non current financial assets - Restricted deposits (refer note 7)	(217)	(574)	(382)
<b>Total</b>	<b>4,255</b>	<b>1,206</b>	<b>1,150</b>

### 14 Loans and advances

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Amounts due from related parties (refer note 43)	867	1,297	821
Loans and advances to employees	173	171	275
Other loans	435	1,340	2,578
Security deposits	4	-	-
<b>Total</b>	<b>1,479</b>	<b>2,808</b>	<b>3,674</b>

### 15 Other financial assets

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Accrued interest on fixed deposits	184	130	106
<b>Total</b>	<b>184</b>	<b>130</b>	<b>106</b>

### 16 Other current assets

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Prepaid expenses	106	301	785
<b>Total</b>	<b>106</b>	<b>301</b>	<b>785</b>

### 17 Equity share capital

₹ in lakhs, except share data

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	Amount	Number	Amount	Number	Amount
<b>Authorised share capital</b>						
Equity shares of ₹ 10 each	125,000,000	12,500	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>125,000,000</b>	<b>12,500</b>
<b>Issued, subscribed and fully paid- up</b>						
Equity shares of ₹ 10 each	93,858,717	9,385	93,589,164	9,358	92,507,274	9,250
<b>Total</b>	<b>93,858,717</b>	<b>9,385</b>	<b>93,589,164</b>	<b>9,358</b>	<b>92,507,274</b>	<b>9,250</b>

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### a) Reconciliation of paid-up share capital (Equity Shares)

₹ in lakhs, except share data

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	Amount	Number	Amount	Number	Amount
Balance at the beginning of the year	93,589,164	9,358	92,507,274	9,250	91,973,190	9,197
Add: Issued on exercise of employee share options	269,553	27	180,920	18	534,084	53
Add: Acquisition of a subsidiary	-	-	900,970	90	-	-
<b>Balance at the end of the year</b>	<b>93,858,717</b>	<b>9,385</b>	<b>93,589,164</b>	<b>9,358</b>	<b>92,507,274</b>	<b>9,250</b>

During the year, the Company has issued total 269,553 shares (2016: 180,920 ; 2015: 534,084) on exercise of options granted under the employees stock option plan (ESOP) wherein part consideration was received in the form of employees services.

On 25 February 2015, the Company entered into a share purchase agreement to acquire a controlling stake in Universal Power Systems Private Limited, trading by the name Techzone ("UPSPL" or "Techzone"). On 20 July 2015, the Company received approval from Foreign Investment Promotion Board ("FIPB") to acquire Techzone. On 1 August 2015, the Company allotted 900,970 equity shares to the shareholders of UPSPL at a premium of ₹ 586 per share in exchange for the entire shareholding of UPSPL. Shares so purchased have been classified as non-current investment.

### b) Shares held by holding company, ultimate holding company, subsidiaries / associates of holding company or ultimate holding company

₹ in lakhs, except share data

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	Amount	Number	Amount	Number	Amount
Equity shares of ₹ 10 each						
Eros Worldwide FZ LLC - the Holding company	47,126,290	4,713	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	21,700,000	2,170

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

₹ in lakhs, except share data

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	% holding in the class	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	50.21%	47,126,290	50.35%	47,126,290	50.94%
Eros Digital Private Limited - fellow subsidiary	21,700,000	23.12%	21,700,000	23.19%	21,700,000	23.46%

### 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 1,220,890 shares (2016: 1,281,194 ; 2015: 1,100,274) 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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### 18 Other equity

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Securities premium</b>			
Balance at the beginning of the year	37,513	31,860	31,860
Add : Additions for employee stock options exercised during the year	-	53	-
Add: Additions for issue of shares for acquisition of a subsidiary (refer note 17a)	-	3,411	-
Add : Transfer from share option outstanding account	628	409	-
Add : Fair value adjustments of investment in subsidiary	-	1,780	-
Balance at the end of the year	<b>38,141</b>	<b>37,513</b>	<b>31,860</b>
<b>Share options outstanding account</b>			
Balance at the beginning of the year	1,775	1,088	950
Less: Transfer to securities premium account	(628)	(409)	-
Add: Employee stock option compensation expense	1,464	1,096	-
Add: Employee stock option compensation expense to employee's of subsidiary	34	-	-
Add: Adjustment on account of fair value of employee stock options as per Ind AS	-	-	138
Balance at the end of the year	<b>2,645</b>	<b>1,775</b>	<b>1,088</b>
<b>General reserve</b>			
Balance at the beginning of the year	526	526	526
Add: Additions during the year	-	-	-
Balance at the end of the year	<b>526</b>	<b>526</b>	<b>526</b>
<b>Retained earnings</b>			
Balance at the beginning of the year	71,327	60,052	60,359
Add: Net profit after tax for the year	13,039	11,263	-
Other comprehensive income	(22)	12	-
Adjustment on account of fair value of employee stock options as per Ind AS	-	-	(138)
Adjustment on account of Ind AS transition for expected credit loss	-	-	(169)
Balance at the end of the year	<b>84,344</b>	<b>71,327</b>	<b>60,052</b>
<b>Total</b>	<b>125,656</b>	<b>111,141</b>	<b>93,526</b>

### 19 Long-term borrowings

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Secured</b>			
Term loan from banks*	22,088	18,992	16,091
Car loans#	130	68	87
	<b>22,218</b>	<b>19,060</b>	<b>16,178</b>
Less: Cumulative effect of unamortised cost	(158)	(97)	-
Less: Current maturities disclosed under other current financial liabilities (refer note 27)	(7,148)	(8,451)	(6,645)
<b>Total</b>	<b>14,912</b>	<b>10,512</b>	<b>9,533</b>

\*Term loans from banks carry an interest rate between 12% - 13% are secured by pari passu first charge on the DVD/ satellite rights acquired for the domestic market, actionable claims, revenue and receivables arising on sales of the rights and negatives of films. Term loans are further secured by

- Equitable mortgage of Company's immovable properties situated at Mumbai, India;
- Amounts held as margin money;
- Corporate guarantee of Eros International PLC, the ultimate holding company;
- Residual value of equipments and vehicles; and
- Existing rights of Hindi films with nil book value.

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.

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### 20 Trade payable - non current

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Payable to related parties (refer note 43)	101	104	98
<b>Total</b>	<b>101</b>	<b>104</b>	<b>98</b>

### 21 Other financial liabilities

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Security deposits	1	3	3
<b>Total</b>	<b>1</b>	<b>3</b>	<b>3</b>

### 22 Employee benefit obligations - non current

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for gratuity (refer note 41)	351	254	213
<b>Total</b>	<b>351</b>	<b>254</b>	<b>213</b>

### 23 Deferred tax liabilities (net)

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Deferred tax liability on</b>			
Depreciation on tangible assets	154	156	150
Amortisation of intangible assets	30,221	29,432	26,026
<b>Total</b>	<b>30,375</b>	<b>29,588</b>	<b>26,176</b>
<b>Deferred tax asset on</b>			
Provision for expenses allowed on payment basis	741	683	652
Others	476	196	161
<b>Total</b>	<b>1,217</b>	<b>879</b>	<b>813</b>
MAT credit recoverable	(6,800)	(9,337)	(8,881)
<b>Deferred tax liabilities (net)</b>	<b>22,358</b>	<b>19,372</b>	<b>16,482</b>

### Reconciliation of statutory rate of tax and effective rate of tax

	Amount ₹ in Lakhs	
	As at 31 March 2017	As at 31 March 2016
<b>Profit before tax</b>	<b>21,100</b>	<b>18,056</b>
Tax expense	8,061	6,793
<b>Tax rate as a % of profit before tax</b>	<b>38.20%</b>	<b>37.62%</b>
<b>Adjustments</b>		
Non-deductible expenses for tax purposes	(2.49%)	(1.09%)
Effect of change in deferred tax balances due to change in tax rates	0.00%	(2.56%)
Tax impact of earlier years	(0.95%)	1.13%
Others	(0.15%)	(0.49%)
<b>At India's statutory income tax rate of 34.61% (31 March 2016: 34.61%)</b>	<b>34.61%</b>	<b>34.61%</b>

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### 24 Other non-current liabilities

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred revenue	3,016	102	-
<b>Total</b>	<b>3,016</b>	<b>102</b>	<b>-</b>

### 25 Short-term borrowings

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Repayable on demand</b>			
<b>Secured</b>			
From banks	36,518	15,281	14,598
<b>Unsecured</b>			
From others	400	1,520	16,000
From related parties (refer note 43)	4,616	422	395
<b>Total</b>	<b>41,534</b>	<b>17,223</b>	<b>30,993</b>

#### Secured short term borrowings include:

Cash credit carry an interest rate between 10% - 13% , secured by way of hypothecation of inventories and receivables relating to domestic rights operations on pari passu basis.

Bills discounted carry an interest rate between 10% - 11% for INR bills and LIBOR+3.5% for USD bills , secured by document of title to goods and accepted hundis with first pari passu charge on current assets.

Packing credit carry an interest rate between 10% - 11% for INR and LIBOR+3.5% for USD, secured by hypothecation of films and film rights with first pari passu charge on current assets.

#### Short term borrowings are further secured by:

- Equitable mortgage of Company's immovable properties situated at Mumbai, India;
- Amount held in margin money;
- Corporate guarantee of Eros International Plc, the ultimate holding company;
- Residual value of equipments; and
- Existing rights of hindi films with nil book value.

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

### 26 Acceptances

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Payable under the film financing arrangements	5,795	5,749	-
<b>Total</b>	<b>5,795</b>	<b>5,749</b>	<b>-</b>

Acceptances comprise of credit availed from financial institutions for payment to film producers for film co-production arrangement entered by the group. The carrying value of acceptances are considered a reasonable approximation of fair value

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### 27 Other financial liabilities

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current maturities of long term borrowings (refer note 19)	7,148	8,451	6,645
Interest accrued and due on borrowings	382	122	203
Unclaimed dividend	1	1	1
Employee dues	173	124	151
Other expenses payable	1,297	1,348	1,530
<b>Total</b>	<b>9,001</b>	<b>10,046</b>	<b>8,530</b>

### 28 Employee benefit obligations - current

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Gratuity	38	34	35
Compensated absences	160	97	76
<b>Total</b>	<b>198</b>	<b>131</b>	<b>111</b>

### 29 Current tax liabilities

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for corporate taxes (net)	4,265	2,846	1,554
<b>Total</b>	<b>4,265</b>	<b>2,846</b>	<b>1,554</b>

### 30 Other current liabilities

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advance from customers- related parties (refer note 43)	209	26,660	25,269
Advances from customers- others	1,479	4,935	1,186
Deferred revenue	2,810	5,904	185
Duties and taxes payable	8,661	4,875	1,787
<b>Total</b>	<b>13,159</b>	<b>42,374</b>	<b>28,427</b>

### 31 Revenue from operations (net)

	Amount ₹ in Lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from distribution and exhibition of film and other rights	114,602	117,773
Revenue from services	16	95
<b>Total</b>	<b>114,618</b>	<b>117,868</b>

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### 32 Other income

Amount ₹ in Lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
Sundry balances written back	308	28
Interest income	103	871
Other non-operating income	482	426
Gain on sale of tangible assets (net)	1	1
Bad debts recovered	8	8
Income from export incentives	946	-
<b>Total</b>	<b>1,848</b>	<b>1,334</b>

### 33 Film right cost including amortization costs

Amount ₹ in Lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
Amortisation of film rights (refer note 4)	36,154	52,997
Film rights cost	31,879	24,436
<b>Total</b>	<b>68,033</b>	<b>77,433</b>

### 34 Changes in Inventories of Film Rights

Amount ₹ in Lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
Opening stock		
- Finished goods	307	104
	307	104
Closing stock		
- Finished goods	45	307
	45	307
<b>Total</b>	<b>262</b>	<b>(203)</b>

### 35 Employee benefits expense

Amount ₹ in Lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries and bonus	3,611	3,093
Contribution to provident and other funds (refer note 41)	195	204
Gratuity expense (refer note 41)	83	60
Employee stock option compensation (refer note 41)	1,398	1,096
Staff welfare expenses	126	50
<b>Total</b>	<b>5,413</b>	<b>4,503</b>

## Notes

to the standalone financial statements and other explanatory information

### 36 Finance costs

	Amount ₹ in Lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
Interest expense	5,036	4,928
Other borrowing costs	541	266
Interest on late payment of taxes	1,489	277
	<b>7,066</b>	<b>5,471</b>
Less: Interest capitalised to film rights	(1,657)	(1,949)
Less: Interest income	(208)	(150)
<b>Total</b>	<b>5,201</b>	<b>3,372</b>

The capitalisation rate of interest was 9.95 % (31 March 2016: 12.50 %)

### 37 Depreciation and amortisation expense

	Amount ₹ in Lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation on tangible assets (refer note 3)	517	522
Amortisation on intangible assets (refer note 4)	15	23
<b>Total</b>	<b>532</b>	<b>545</b>

### 38 Other expenses

	Amount ₹ in Lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
Print and digital distribution cost	2,669	2,509
Selling and distribution expenses	6,655	7,284
Processing and other direct cost	572	668
Shipping, packing and forwarding expenses	181	203
Home entertainment products related cost	64	98
Power and fuel	56	69
Rent	529	705
Repairs and maintenance	182	141
Insurance	20	54
Rates and taxes	64	67
Legal and professional	1,282	1,220
Payments to auditors (refer note 49)	191	132
Provision for doubtful receivables	543	67
Provision for doubtful advances (refer note 4 and 6)	283	-
Communication expenses	80	103
Travelling and conveyance	270	350
Content advances written off (refer note 4)	450	276
Advances and deposits written off	287	-
Trade receivables written off	206	792
Provision for impairment in the value of investment	552	-
Loss on foreign currency transactions and translation (net)	235	203
CSR expenditure (refer note 51)	10	20
Miscellaneous expenses	544	535
<b>Total</b>	<b>15,925</b>	<b>15,496</b>



## Notes

to the standalone financial statements and other explanatory information

### 39 Earnings per share

Amount ₹ in Lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
<b>a) Computation of net profit for the year</b>		
Profit after tax attributable to equity shareholders (₹ in lakhs)	13,039	11,263
<b>b) Computation of number of shares for Basic Earnings per share</b>		
Weighted average number of equity shares	93,654,393	93,187,916
<b>Total</b>	<b>93,654,393</b>	<b>93,187,916</b>
<b>c) Computation of number of shares for Diluted Earnings per share</b>		
Weighted average number of equity shares	95,336,987	93,968,886
<b>Total</b>	<b>95,336,987</b>	<b>93,968,886</b>
<b>d) Nominal value of shares</b>	10	10
<b>e) Computation</b>		
Basic	13.92	12.09
Diluted	13.68	11.99

### 40 Contingent liabilities and commitments (to the extent not provided for)

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>(a) Contingent liabilities</b>			
(i) Claims against the Company not acknowledged as debt			
Sales tax claims disputed by the Company	317	-	314
Service tax claim disputed by the Company	30,811	31,350	15,675
Income tax liability that may arise in respect of matters in appeal	60	61	43
(ii) Guarantees			
Guarantee given in favour of various government authorities	25	25	86
<b>Total</b>	<b>A 31,213</b>	<b>31,436</b>	<b>16,118</b>

#### Notes:

- During the year ended 31 March 2015, the Company received a show cause notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 15,675 lakhs for the period 1 April 2009 to 31 March 2014 should not be levied on and paid by the Company for service tax arising on temporary transfer of copyright services and other matters.

In connection with the aforementioned matters, on 19 May 2015, the Company received an Order-in-original issued by the Principal Commissioner, Service Tax, wherein the department confirmed the demand of ₹ 15,675 lakhs along with interest and penalty amounting to ₹ 15,675 lakhs resulting into a total demand of ₹ 31,350 lakhs.

On 3 September 2015, the Company filed an appeal against the said order before the authorities. The Company has paid ₹ 1,000 Lakhs under protest. Considering the facts and nature of levies and the ad-interim protection for the period 1 July 2010 to 30 June 2012 granted by the Honorable High Court of Mumbai, the Company expects that the final outcome of this matter will be favourable.

Accordingly, based on the assessment made after taking appropriate legal advice, no additional liability has been recorded in the financial statements.

- Company has received notice for reversal of CENVAT credit for the period 2013-14 to 2015-16 ₹ 187 Lakhs and for the period Jan 16 to March 2017 ₹ 204 Lakhs. Further Company also received notice for Non levy of Service tax on Import of Services for the period 2013-14 to 2015-16 for ₹ 70 Lakhs.
- In addition, the Company is liable to pay service tax on use on temporary transfer of copyright in the period 1 July 2010 to 30 June 2012. The Company filed a writ petition in Mumbai High Court challenging the constitutionality and the legality of this entry and received ad-interim protection and accordingly, no amounts were provided for by the Company for the period 1 April 2011 to 30 June 2012.
- It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.

## Notes

### to the standalone financial statements and other explanatory information

5 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.

6 The Company does not expect any reimbursements in respect of the above contingent liabilities.

### (b) Commitments

Amount ₹ in Lakhs			
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Estimated amount of contracts remaining to be executed on content commitments	157,270	128,365	126,156
<b>Total</b>	<b>B</b>	<b>157,270</b>	<b>128,365</b>
<b>Total</b>	<b>(A+B)</b>	<b>188,483</b>	<b>159,801</b>

## 41 Employment benefits

### a) Gratuity

The following table set out the status of the gratuity plan as required under Indian Accounting Standard (Ind AS) - 19, Employee benefits, and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Amount ₹ in Lakhs		
	Year ended 31 March 2017	Year ended 31 March 2016
<b>I Change in projected benefit obligation</b>		
Liability at the beginning of the year	288	248
Interest cost	23	20
Current service cost	60	40
Benefits paid	(4)	(7)
Actuarial loss/(gain) on obligations	22	(13)
Liability at the end of the year	389	288
Current portion	38	34
Non-current portion	351	254
<b>II Recognised in Balance Sheet</b>		
Liability at the end of the year	389	288
Amount recognised in Balance Sheet	389	288
<b>III Expense recognised in Statement of Profit and loss</b>		
Current service cost	60	40
Interest cost	23	20
Expense recognised in Statement of Profit and loss	83	60
<b>IV Expense recognised in Other Comprehensive Income</b>		
Arising from changes in experience	(4)	(10)
Arising from changes in financial assumptions	26	(3)
Expense/(income) recognised in Other comprehensive income	22	(13)

\*Actuarial loss of ₹ 22 lakhs and actuarial gain of ₹ 13 lakhs (31 March 2016) is included in other comprehensive income.

<b>V Assumptions used</b>		
Discount rate	7.52%	8.07%
Long-term rate of compensation increase	10.00%	10.00%
Attrition Rate	2.00%	2.00%
Expected average remaining working life in years	18.00	18.00

## Notes

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### VI. A Quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

	Amount ₹ in Lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
<b>Impact on defined benefit obligation</b>		
Projected benefit obligation on current assumption	389	288
Discount rate		
1.00 % increase	(46)	(33)
1.00 % decrease	56	40
Salary growth rate		
1.00 % increase	25	20
1.00 % decrease	(26)	(21)
Employee turnover		
1.00 % increase	(1)	0
1.00 % decrease	(0)	(1)

### VII Maturity profile of defined benefit obligation

	Amount ₹ in Lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
Year		
Year 1	38	34
Year 2	7	5
Year 3	18	6
Year 4	11	16
Year 5	10	9
Sum of Years 6-10	108	75

#### b) Compensated absences

The Company incurred ₹ 129 lakhs (31 March 2016 ₹ 63 lakhs) towards accrual for compensated absences during the year.

#### c) Provident fund

The Company contributed ₹ 181 lakhs (31 March 2016 ₹ 193 lakhs) to the provident fund plan, ₹ 4 lakhs (31 March 2016 ₹ 3 lakhs) to the Employee state insurance plan and ₹ 10 lakhs (31 March 2016 ₹ 8 lakhs) to the National Pension Scheme during the year.

#### d) Share-based payment transactions

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

The expense recognised for employee services received during the year is shown in the following table:

	Amount ₹ in Lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
Expense arising from equity-settled share-based payment transactions	1,398	1,096

There were no cancellations or modifications to the awards in 31 March 2017 or 31 March 2016.

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#### Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	As at 31 March 2017		As at 31 March 2016	
	Number	WAEP*	Number	WAEP*
Outstanding at 1 April	2,196,215	35	1,437,400	52
Granted during the year**	282,227	10	966,009	10
Forfeited during the year	(100,826)	10	(26,274)	10
Exercised during the year	(269,553)	10	(180,920)	39
<b>Outstanding at 31 March</b>	<b>2,108,063</b>	<b>36</b>	<b>2,196,215</b>	<b>35</b>
Exercisable at 31 March	911,854	64	632,566	77
Range of exercise price of outstanding options (₹)	₹ 10-175		₹ 10-175	
Weighted average remaining contractual life of option	4.07 Years		4.08 years	

\*WAEP denotes weighted average exercise price of the option

\*\* During the year Company has granted 235,381 stock options to the employees of subsidiary.

Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Date of grant							
	17-Dec-09	12-Aug-10	01-Jul-12	14-Oct-13	12-Nov-14	12-Feb-15	09-Feb-16	10-Feb-17
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility	75.00%	60.00%	44.00%	35.00%	40.11%	37.84%	46.46%	48.66%
Risk free interest rate	6.30%	6.50%	8.36%	8.57%	8.50%	7.74%	7.49%	6.51%
Exercise price	75-175	75-135	75	150	10	10	10	10
Expected life of options granted in years	5.25	5.25	5.50	4.50	As per Table 1.1			4.27

**Table 1.1**

#### Expected life of options granted in years

Option Grant date	09-Feb-16		12-Feb-15		12-Nov-14	
	Old Employees	New Employees	Old Employees	New Employees	Old Employees	New Employees
Year I	3.50	4.50	3.00	3.00	3.50	4.50
Year II	4.50	5.50	3.50	4.00	4.50	5.50
Year III	5.50	6.50	4.00	4.50	5.50	6.50

The expected life of options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may differ from the actual.

## 42 Segment Reporting

### Description of segment and principal activities

The Company acquires, co-produces and distributes Indian films in multiple formats worldwide. Film content is monitored and strategic decisions around the business operations are made based on the film content, whether it is new release or library. Hence, Management identifies only one operating segment in the business, film content. The Company distributes film content

## Notes

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to the Indian population in India and worldwide and to non-Indian consumers who view Indian films that are subtitled or dubbed in local languages. As a result of these distribution activities, the management examines the performance of the business from a geographical market perspective.

Amount ₹ in Lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
<b>Revenue by region of domicile of customer's location</b>		
India	78,598	96,845
United Arab Emirates (UAE)*	35,587	20,321
Rest of the world	433	702
<b>Total revenue</b>	<b>114,618</b>	<b>117,868</b>

For the year ended 31 March 2017 and 31 March 2016 no third party customers accounted for more than 10% of the entity's total revenues.

\* Sales to UAE includes sales to its related party Eros Worldwide FZ LLC.

### Non-current assets other than financial instruments, investments accounted for using equity method and income taxes

Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current assets</b>			
India	209,584	204,198	166,318
United Arab Emirates	-	-	-
Rest of the world	7,592	5,118	-
<b>Total non-current assets</b>	<b>217,176</b>	<b>209,316</b>	<b>166,318</b>

## 43 Related party disclosures

### a) Parent entity

Relationship	Name	Place of incorporation
Ultimate holding company	Eros International PLC	Isle of Man
Holding company	Eros Worldwide FZ LLC	Dubai

### b) Subsidiaries

Relationship	Name	Place of incorporation	Ownership interest		
			31-Mar-17	31-Mar-16	01-Apr-15
Subsidiary companies	Eros International Films Private Limited *	India	100.00%	99.65%	99.65%
	Copsale Limited	British Virgin of Islands	100.00%	100.00%	100.00%
	Big Screen Entertainment Private Limited	India	64.00%	64.00%	64.00%
	EyeQube Studios Private Limited*	India	100.00%	99.99%	99.99%
	EM Publishing Private Limited*	India	100.00%	99.00%	99.00%
	Eros Animation Private Limited *	India	100.00%	100.00%	100.00%
	Digicine PTE Limited	Singapore	100.00%	100.00%	100.00%
	Colour Yellow Productions Private Limited	India	50.00%	50.00%	50.00%
	Universal Power Systems Private Limited (w.e.f. 01-08-2015)	India	100.00%	100.00%	0.00%
	Ayngaran International Limited (Isle of Man)	Isle of Man	51.00%	51.00%	51.00%
	Ayngaran International UK Limited	United Kingdom	100.00%	100.00%	100.00%
	Ayngaran International Mauritius Limited	Mauritius	100.00%	100.00%	100.00%
	Ayngaran International Media Private Limited	India	100.00%	100.00%	100.00%
	Ayngaran Anak Media Private Limited	India	51.00%	51.00%	51.00%

\*Company has obtained declarations from nominee shareholders stating that Eros International Media Limited is the beneficial owner of the shares held by them in below companies, thereby making below companies wholly owned subsidiaries of Eros International Media Limited:

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- > EM Publishing Pvt Ltd
- > Eros Animation Pvt Ltd
- > Eyeqube Studios Pvt Ltd
- > Eros International Films Pvt Ltd

#### List of 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, Non Independent Director (retired by rotation as on 29 September 2016)

Mr. Dinesh Modi -Group Chief Financial Officer (India) (w.e.f. 11 November 2014)

Mr. Kamal Jain -Group Chief Financial Officer (India) (upto 30 November 2014)

Ms. Dimple Mehta - Vice President - 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
	Eros International Distribution LLP
	Eros Television India Private Limited
Fellow subsidiary company	Eros Digital Private Limited
	Eros International Limited, United Kingdom
	Eros Digital FZ LLC



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### c (i) Transactions during the year with related parties

	Holding company		Subsidiary		Fellow subsidiary company		Key Management Personnel including transactions with relatives of Key Management Personnel				Entities over which Key Management Personnel exercise significant influence				Total	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
Sale of film rights	36,895	20,032	24	55	-	-	-	-	-	-	-	-	-	-	36,919	20,087
Revenue attributable to Eros Digital FZ LLC	-	-	-	-	(3,571)	-	-	-	-	-	-	-	-	-	(3,571)	-
Sale of prints/VCD/DVD	40	54	-	-	-	-	-	-	-	-	-	-	-	-	40	54
Purchase of film rights	-	-	17,023	6,188	-	127	-	-	-	-	-	-	-	-	17,023	6,315
Re-imbursement of administrative expense	494	1,229	13	32	2,090	376	-	-	-	-	-	-	-	-	2,597	1,637
Re-imbursement given	-	-	196	-	-	-	-	-	-	-	-	-	-	-	196	-
Professional Fees expenses	-	-	-	4	-	-	-	-	-	-	-	-	-	-	-	4
Commission expenses	-	-	12	-	-	-	-	-	-	-	-	-	-	-	12	-
Other Income	-	-	179	-	-	-	-	-	-	-	-	-	-	-	179	-
Investment in	-	-	34	3,500	-	-	-	-	-	-	-	-	-	-	34	3,500
Rent expenses	-	-	-	-	-	-	552	552	-	-	-	-	-	-	552	552
Interest income	-	-	2	2	41	-	-	-	-	-	-	-	-	-	43	2
Interest expenses	-	-	-	-	46	43	-	-	-	-	24	-	-	-	70	43
Salary, commission and perquisites to KMPs	-	-	-	-	-	-	916	830	-	-	-	-	-	-	916	830
Content advances given	-	-	1,959	10,973	5,268	2,689	-	-	-	-	-	-	-	-	7,227	13,662
Loan and advances given	-	-	6	52	-	-	-	-	-	-	-	-	-	-	6	52
Refund of content advances	-	-	128	3,400	2,689	-	-	-	-	-	-	-	-	-	2,817	3,400
Recovery of loans and advances given	-	-	1,020	515	-	-	-	-	-	-	-	-	-	-	1,020	515
Trade advances/ loans taken	3,460	10,926	5,009	-	-	10	-	-	-	-	4,150	-	-	-	12,619	10,936
Repayment of advances/ loans	29,924	9,535	4,995	-	10	12	-	-	-	-	10	-	-	-	34,939	9,547
Refund of deposits	-	-	-	-	-	-	26	28	-	-	-	-	-	-	26	28

Amount ₹ in Lakhs

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### c (ii) Transactions during the year with related parties

	Amount ₹ in Lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
<b>Sale of film rights</b>		
Eros Worldwide FZ LLC	36,895	20,032
EM Publishing Private Limited	6	12
Universal Power Systems Private Limited	18	43
<b>Total</b>	<b>36,919</b>	<b>20,087</b>
Revenue attributable to Eros Digital FZ LLC	(3,571)	-
<b>Sale of prints/VCD/DVD</b>		
Eros Worldwide FZ LLC	40	54
<b>Total</b>	<b>40</b>	<b>54</b>
<b>Purchase of film rights</b>		
Eros International Films Private Limited	15,331	-
Eros International Limited	-	127
Colour Yellow Productions Private Limited	1,692	6,188
<b>Total</b>	<b>17,023</b>	<b>6,315</b>
<b>Re-imbursement of administrative expense</b>		
Eros Worldwide FZ LLC	494	1,229
Eros Digital FZ LLC	2,090	376
Eros International Films Private Limited	12	12
Big Screen Entertainment Private Limited	1	20
Ayngaran International Media Private Limited*	0	-
Ayngaran Anak Media Private Limited*	0	0
<b>Total</b>	<b>2,597</b>	<b>1,637</b>
*amount represents less than ₹ one lakh		
<b>Re-imbursement given</b>		
Eros International Films Private Limited	50	-
Colour Yellow Productions Private Limited	146	-
<b>Total</b>	<b>196</b>	<b>-</b>
<b>Professional Fees expenses</b>		
Universal Power Systems Private Limited	-	4
<b>Total</b>	<b>-</b>	<b>4</b>
<b>Commission expenses</b>		
Universal Power Systems Private Limited	12	-
<b>Total</b>	<b>12</b>	<b>-</b>
<b>Other Income</b>		
Big Screen Entertainment Private Limited	179	-
<b>Total</b>	<b>179</b>	<b>-</b>
<b>Investment in</b>		
Universal Power Systems Private Limited	34	3,500
<b>Total</b>	<b>34</b>	<b>3,500</b>
<b>Rent expenses</b>		
Mr. Sunil Lulla	276	276
Mrs. Manjula K Lulla	36	36
Mr. Kishore Lulla	240	240
<b>Total</b>	<b>552</b>	<b>552</b>
<b>Interest income</b>		
EyeQube Studios Private Limited	2	2
Eros International Limited	41	-
<b>Total</b>	<b>43</b>	<b>2</b>

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Amount ₹ in Lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
<b>Interest expenses</b>		
Eros Digital Private Limited	46	43
Eros Television India Private Limited	24	-
<b>Total</b>	<b>70</b>	<b>43</b>
<b>Salary, commission and perquisites* to KMPs</b>		
Mr. Sunil Lulla	463	422
Mr. Kishore Lulla	116	105
Ms. Jyoti Deshpande**	105	96
Mrs. Krishika Lulla	89	89
Mr. Dinesh Modi** - Chief Financial Officer (w.e.f. 11 November 2014)	93	81
Ms. Dimple Mehta**	50	37
<b>Total</b>	<b>916</b>	<b>830</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 ₹ 66 lakhs 31 March 2016: ₹ 57 lakhs) charged to Statement of Profit and loss on account of stock compensation for awards granted.

### d) Transactions with related parties

Amount ₹ in Lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
<b>Content advances given</b>		
Eros International Limited	5,268	2,689
Eros International Films Private Limited	-	5,207
Colour Yellow Productions Private Limited	1,959	5,766
<b>Total</b>	<b>7,227</b>	<b>13,662</b>
<b>Loan and advances given</b>		
Ayngaran International Media Private Limited	-	48
EyeQube Studios Private Limited	5	4
Eros Animation Private Limited	1	-
<b>Total</b>	<b>6</b>	<b>52</b>
<b>Refund of content advances</b>		
Eros International Limited	2,689	-
Eros International Films Private Limited	-	2,670
Colour Yellow Productions Private Limited	128	730
<b>Total</b>	<b>2,817</b>	<b>3,400</b>
<b>Recovery of loans and advances given</b>		
EM Publishing Private Limited	20	15
Universal Power Systems Private Limited	1,000	500
<b>Total</b>	<b>1,020</b>	<b>515</b>
<b>Trade advances/ loans taken</b>		
Eros Worldwide FZ LLC	3,460	10,926
Eros Digital Private Limited	-	10
Eros Television India Private Limited	4,150	-
Eros International Films Private Limited	4,995	-
Universal Power Systems Private Limited	14	-
<b>Total</b>	<b>12,619</b>	<b>10,936</b>
<b>Repayment of advances/ loans</b>		
Eros Worldwide FZ LLC	29,924	9,535
Eros Digital Private Limited	10	12
Eros Television India Private Limited	10	-
Eros International Films Private Limited	4,995	-
<b>Total</b>	<b>34,939</b>	<b>9,547</b>

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	Amount ₹ in Lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
<b>Refund of deposits</b>		
Mr. Sunil Lulla	26	28
<b>Total</b>	<b>26</b>	<b>28</b>

### e) Balances with related parties

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Trade balances due from</b>			
Eros Worldwide FZ LLC	7,128	6,851	8,615
Copsale Limited	-	-	6,483
Ayngaran Anak Media Private Limited*	-	0	-
Universal Power Systems Private Limited	-	89	-
Eros Digital FZ LLC	1,461	-	-
<b>Total</b>	<b>8,589</b>	<b>6,940</b>	<b>15,098</b>

\*amount represents less than ₹ one lakh

<b>Trade balances due to</b>			
Eros International Limited	101	104	98
Big Screen Entertainment Private Limited	129	309	329
Colour Yellow Productions Private Limited	2,277	3,282	-
Eros International Films Private Limited	1,429	-	-
Universal Power Systems Private Limited	15	-	-
Eros Digital FZ LLC	283	-	-
<b>Total</b>	<b>4,234</b>	<b>3,695</b>	<b>427</b>

<b>Advances due to</b>			
Eros Worldwide FZ LLC	195	26,660	25,269
Universal Power Systems Private Limited	14	-	-
<b>Total</b>	<b>209</b>	<b>26,660</b>	<b>25,269</b>

<b>Loans due to</b>			
Eros Digital Private Limited	454	422	395
Eros Television India Private Limited	4,162	-	-
<b>Total</b>	<b>4,616</b>	<b>422</b>	<b>395</b>

<b>Content advances given to</b>			
Eros International Films Private Limited	-	7,164	4,614
Colour Yellow Productions Private Limited	3,180	2,466	394
Eros International Limited	5,189	2,689	-
<b>Total</b>	<b>8,369</b>	<b>12,319</b>	<b>5,008</b>

<b>Loans and advances due from</b>			
Shivam Enterprises	39	39	39
EM Publishing Private Limited	20	33	35
Ayngaran International Media Private Limited	787	786	738
Digicine Pte Limited	34	35	32
EyeQube Studios Private Limited	24	17	13
Universal Power Systems Private Limited	-	1,000	-
Eros Animation Private Limited	1	-	-
Mrs. Krishika Lulla	1	1	3
Eros Television India Private Limited*	0	0	-
Ayngaran Anak Media Private Limited*	0	-	-
<b>Total</b>	<b>906</b>	<b>1,911</b>	<b>860</b>

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Amount ₹ in Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
*amount represents less than ₹ one lakh			
<b>Security Deposits/Amounts due from KMPs or their relatives</b>			
Mr. Sunil Lulla	336	361	389
Mrs. Manjula K Lulla	75	75	75
Mr. Kishore Lulla	240	240	240
<b>Total</b>	<b>651</b>	<b>676</b>	<b>704</b>
<b>Amounts due to KMPs or their relatives</b>			
Mr. Sunil Lulla	121	88	30
Mr. Kishore Lulla	43	29	22
Mrs. Manjula K Lulla	7	66	45
Ms. Jyoti Deshpande	12	6	5
<b>Total</b>	<b>183</b>	<b>189</b>	<b>102</b>

### Terms and conditions

All outstanding balances are unsecured and repayable in cash.

## 44 Categories of financial assets and financial liabilities

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

Amount ₹ in Lakhs

	Carrying value /Fair value		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Financial assets</b>			
<b>Measured at fair value through profit and loss</b>			
Investments*	4,760	5,278	-
<b>Total</b>	<b>4,760</b>	<b>5,278</b>	<b>-</b>
<b>Measured at amortised cost</b>			
Loans	3,991	5,154	5,093
Restricted deposits	4,472	1,780	1,532
Other financial assets	906	911	947
Trade receivables	26,505	13,982	23,399
Cash and cash equivalents	131	1,719	2,704
<b>Total</b>	<b>36,005</b>	<b>23,546</b>	<b>33,675</b>
<b>Financial liabilities</b>			
<b>Measured at amortised cost</b>			
Borrowings	56,446	27,735	40,526
Acceptance	5,795	5,749	-
Trade payables	10,832	12,006	4,746
Other financial liabilities	9,002	10,049	8,533
<b>Total</b>	<b>82,075</b>	<b>55,539</b>	<b>53,805</b>

\*Exclude financial instruments of investment in subsidiaries carried at cost (refer note 48).

## 45 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based in the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

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Level 3: unobservable inputs for the asset or liability

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

Amount ₹ in Lakhs

	Carrying value /Fair value			
	As at 31 March 2017	Level 1	Level 2	Level 3
<b>Financial assets</b>				
<b>Measured at fair value through profit and loss</b>				
Investments*	4,760	-	-	4,760
<b>Total</b>	<b>4,760</b>	<b>-</b>	<b>-</b>	<b>4,760</b>

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

<b>Measured at amortised cost</b>	
Loans	3,991
Restricted deposits	4,472
Other financial assets	906
Trade receivables	26,505
Cash and cash equivalents	131
<b>Total</b>	<b>36,005</b>
<b>Financial liabilities</b>	
<b>Measured at amortised cost</b>	
Borrowings	56,446
Acceptance	5,795
Trade payables	10,832
Other financial liabilities	9,002
<b>Total</b>	<b>82,075</b>

\*Exclude financial instruments of investment in subsidiaries carried at cost (refer note 48).

#### 45 Fair value measurement of financial instruments (Continued)

Amount ₹ in Lakhs

	Carrying value /Fair value			
	As at 31 March 2016	Level 1	Level 2	Level 3
<b>Financial assets</b>				
<b>Measured at fair value through profit and loss</b>				
Investments*	5,278	-	-	5,278
<b>Total</b>	<b>5,278</b>	<b>-</b>	<b>-</b>	<b>5,278</b>

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

<b>Measured at amortised cost</b>	
Loans	5,154
Restricted deposits	1,780
Other financial assets	911
Trade receivables	13,982
Cash and cash equivalents	1,719
<b>Total</b>	<b>23,546</b>



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Amount ₹ in Lakhs

	Carrying value /Fair value			
	As at 31 March 2016	Level 1	Level 2	Level 3
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Borrowings	27,735			
Acceptance	5,749			
Trade payables	12,006			
Other financial liabilities	10,049			
<b>Total</b>	<b>55,539</b>			

Amount ₹ in Lakhs

	Carrying value /Fair value			
	As at 1 April 2015	Level 1	Level 2	Level 3
<b>Financial assets</b>				
<b>Measured at fair value through profit and loss</b>				
Investments*	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

<b>Financial assets</b>				
<b>Measured at fair value through profit and loss</b>				
Investments*	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

<b>Measured at amortised cost</b>		
Loans	5,093	
Restricted deposits	1,532	
Other financial assets	947	
Trade receivables	23,399	
Cash and cash equivalents	2,704	
<b>Total</b>	<b>33,675</b>	
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowings	40,526	
Acceptance	-	
Trade payables	4,746	
Other financial liabilities	8,533	
<b>Total</b>	<b>53,805</b>	

\*Exclude financial instruments of investment in subsidiaries carried at cost (refer note 48).

## 46 Financial instruments and Risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in note 44. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated in close cooperation with the board of directors and audit committee meetings.

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

### Management of Capital Risk and Financial Risk

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. Net debt is calculated as borrowing (refer note 19,25,26 and 27) less cash and cash equivalents.

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### to the standalone financial statements and other explanatory information

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

	Amount ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Debt	69,547	42,032	47,171
Less: Cash and cash equivalents	(131)	(1,719)	(2,704)
Net debt	69,416	40,313	44,467
Equity	135,041	120,499	102,776
<b>Net debt to equity</b>	<b>51.40%</b>	<b>33.46%</b>	<b>43.27%</b>

### Financial risk management objectives

Based on the operations of the Company, Management considers that key financial risks that it faces are credit risk, currency risk, liquidity risk and interest rate risk. The objectives under each of these risks are as follows:

- credit risk: minimize the risk of default and concentration.
- currency risk: reduce exposure to foreign exchange movements principally between INR and USD.
- liquidity risk: ensure adequate funding to support working capital and future capital expenditure requirements.
- interest rate risk: mitigate risk of significant change in market rates on the cash flow of issued variable rate debt.

by international credit rating agencies.

The Company from time to time will have significant concentration of credit risk in relation to individual theatrical releases, television syndication deals or digital licenses. This risk is mitigated by contractual terms which seek to stagger receipts and/or the release or airing of content. As at 31 March 2017 66 % (31 March 2016: 84 %; 1 April 2015: 96 %) of trade account receivables were represented by the top 5 customer, out of which as at 31 March 2017 33 % (31 March 2016: 56 %; 1 April 2015: 67 %) of trade account receivables were represented by the related parties. The maximum exposure to credit risk is that shown within the statement of financial position.

As at 31 March 2017, the Company did not hold any material collateral or other credit enhancements to cover its credit risks associated with its financial assets, except secured debtors.

### Credit Risk

The Company's credit risk is principally attributable to its trade receivables, loans and bank balances. As a number of the Company's trading activities require third parties to report revenues due to the Company this risk is not limited to the initial agreed sale or advance amounts. The amounts shown within the Balance Sheet in respect of trade receivables and loans are net of allowances for doubtful debts based upon objective evidence that the Company will not be able to collect all amounts due.

Trading credit risk is managed on a customer by customer basis by the use of credit checks on new clients and individual credit limits, where appropriate, together with regular updates on any changes in the trading partner's situation. In a number of cases trading partners will be required to make advance payments or minimum guarantee payments before delivery of any goods. The Company reviews reports received from third parties and in certain cases as a matter of course reserve the right within the contracts it enters into to request an independent third party audit of the revenue reporting.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings as signed

### Currency Risk

The Company is exposed to foreign exchange risk from foreign currency transactions. As a result it faces both translation and transaction currency risks which are principally mitigated by matching foreign currency revenues and costs wherever possible.

The Company has identified that it will need to utilize hedge transactions to mitigate any risks in movements between the US Dollar and the Indian Rupee and has adopted an agreed set of principles that will be used when entering into any such transactions. No such transactions have been entered into to date and the Company has managed foreign currency exposure to date by seeking to match foreign currency inflows and outflows as much as possible such as packing credit repayment in USD is matched with remittances from UAE in USD. Details of the foreign currency borrowings that the Company uses to mitigate risk are shown within Interest Risk disclosures.

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As at the Balance Sheet date there were no outstanding forward foreign exchange contracts. The Company adopts a policy of borrowing where appropriate in the local currency as a hedge against translation risk. The table below shows the Company's net foreign currency monetary assets and liabilities position in the main foreign currencies, translated to Indian Rupees(INR) equivalents, as at the year end:

	Amount in Lakhs			
	Net balance receivables / (payables)			
	INR	USD	SGD*	GBP
As at 31 March 2017	8,008	128	0	(3)
As at 31 March 2016	(15,852)	(240)	0	-
As at 1 April 2015	(17,134)	(279)	0	-

\*amount represents less than one lakh

The above foreign currency arises when the Company holds monetary assets and liabilities denominated in a currency other than INR.

A uniform decrease of 10% in exchange rates against all foreign currencies in position as of 31 March 2017 would have decreased in the Company's net profit before tax by approximately ₹ 801 Lakhs (2016: gain of ₹ 1,585 Lakhs and 2015: gain of ₹ 1,713 Lakhs). An equal and opposite impact would be experienced in the event of an increase by a similar percentage.

### Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves and agreed committed banking facilities. Management of working capital takes account of film release dates and payment terms agreed with customers.

A maturity analysis for financial liabilities is provided below. The amounts disclosed are based on contractual undiscounted cash flows. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates as at 31 March, in each year.

As at 31 March 2017	Amount ₹ In Lakhs				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowing principal payments	63,751	48,682	10,403	4,666	-
Borrowing interest payments	9,877	6,948	2,496	433	-
Acceptance	5,795	5,795	-	-	-
Trade and other payables	12,303	12,201	102	-	-

As at 31 March 2016	Amount ₹ In Lakhs				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowing principal payments	36,284	25,674	6,835	3,775	-
Borrowing interest payments	5,585	3,358	1,837	390	-
Acceptance	5,749	5,749	-	-	-
Trade and other payables	13,482	13,375	107	-	-

As at 1 April-2015	Amount ₹ In Lakhs				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowing principal payments	47,171	37,638	7,408	2,125	-
Borrowing interest payments	5,914	4,485	1,245	184	-
Acceptance	-	-	-	-	-
Trade and other payables	6,429	6,328	101	-	-

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At 31 March 2017, the Company had facilities available of ₹ 70,990 Lakhs (31 March 2016: ₹ 44,283 Lakhs, 1 April 2015: ₹ 47,323 Lakhs) and had net undrawn amounts of ₹ 1,444 Lakhs (31 March 2016: ₹ 2,250 Lakhs, 1 April 2015: ₹ 152 Lakhs) available.

#### Interest rate risk

The Company is exposed to interest rate risk as the Company has borrowed funds at floating interest rates. The risk is managed as the loans are at floating interest rates which is aligned to the market.

A uniform increase of 100 basis in interest rates against all borrowings in position as of 31 March 2017 would have decreased in the Company's net profit before tax by approximately ₹ 213 (2016: net profit before tax of ₹ 63 and 2015: net profit before tax of ₹ 72). An equal and opposite impact would be experienced in the event of a decrease by a similar basis.

## 47 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

	Amount ₹ In Lakhs		
	SBN*	Other Denomination Notes	Total
<b>Closing cash in hand as on 8 November 2016</b>	<b>19</b>	<b>1</b>	<b>20</b>
(+) Permitted receipts	-	20	20
(-) Permitted payments	-	(9)	(9)
(-) Amount deposited in Banks	(19)	(6)	(25)
<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>6</b>	<b>6</b>

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

## 48 First time adoption of Indian Accounting Standards (Ind AS)

For all periods, up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2017 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. These are the first Ind-AS financial statements of the Company, wherein the Company has restated its Balance Sheet as at 1 April 2015 and financial statements for the year ended and as at 31 March 2016 also as per Ind-AS.

Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below.

### A Exemptions and Exceptions availed:

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### (a) Deemed Cost

There is no change in the functional currency of the Company and accordingly, the Company has opted para D7 AA and accordingly considered the carrying value of property, plant and equipments and Intangible assets as deemed cost as at transition date.

#### (b) Classification and measurement of Financial Assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist on the date of transition to Ind AS.

#### (c) Business Combinations

Ind AS 103 on Business Combinations has not been applied to acquisitions of businesses that occurred before 1 April 2015. Use of this exemption means that assets and liabilities acquired under a business combination and eligible for recognition under Ind

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AS will be the Indian GAAP carrying values on the acquisition date.

#### (d) Share based options

Ind AS 102 on share-based payment has not been applied to equity instruments in share-based payment transactions that vested before the date of transition to Ind AS.

#### (e) Leases

Appendix C to Ind AS 17 requires the Company to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all relevant arrangements for classification of leases based on facts and circumstances existing at the date of transition to Ind AS.

#### (f) Investment in subsidiaries

In accordance with the exemption given in Ind AS 101, the Company has recorded investment in subsidiaries at deemed cost i.e. Indian GAAP carrying amount except investment in Universal Power Systems Private Limited. (Refer note 5)

#### (g) Estimates

Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS except as a part of transition where following estimates were required by Ind AS and not required by Indian GAAP Impairment of financial assets based on expected credit loss model.

### B. Reconciliation between Indian GAAP and Ind-AS.

#### (i) Reconciliation of balance sheet as at 1 April 2015 as per Indian GAAP and Ind-AS.

Amount ₹ in Lakhs				
	Notes	As per Indian GAAP*	Adjustments	As per Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		4,083	-	4,083
Intangible assets				
a) Content advances		77,809	-	77,809
b) Film rights		82,357	-	82,357
c) Other intangible assets		32	-	32
d) Intangible assets under development		5	-	5
Financial assets				-
a) Investments		2,043	-	2,043
b) Loans		1,419	-	1,419
c) Restricted deposits		382	-	382
d) Other financial assets		841	-	841
Other non current assets	(i)	11,356	(8,881)	2,475
<b>Total non-current assets</b>		<b>180,327</b>	<b>(8,881)</b>	<b>171,446</b>
<b>Current assets</b>				
Inventories		104	-	104
Financial assets				-
a) Trade receivables	(ii)	23,657	(258)	23,399
b) Cash and cash equivalents		2,704	-	2,704
c) Restricted deposits		1,150	-	1,150
d) Loans and advances		3,674	-	3,674
e) Other financial assets		106	-	106
Other current assets		785	-	785
<b>Total current assets</b>		<b>32,180</b>	<b>(258)</b>	<b>31,922</b>
<b>Total assets</b>		<b>212,507</b>	<b>(9,139)</b>	<b>203,368</b>

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Amount ₹ in Lakhs				
	Notes	As per Indian GAAP*	Adjustments	As per Ind AS
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		9,250	-	9,250
Other equity	(viii)	93,695	(169)	93,526
<b>Total equity</b>		<b>102,945</b>	<b>(169)</b>	<b>102,776</b>
<b>Liabilities</b>				
<b>Non current liabilities</b>				
Financial liabilities				
a) Borrowings		9,533	-	9,533
b) Trade payables		98	-	98
c) Other financial liabilities		3	-	3
Employee benefit obligations		213	-	213
Deferred tax liabilities (net)	(i) and (vii)	25,452	(8,970)	16,482
Other non-current liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>35,299</b>	<b>(8,970)</b>	<b>26,329</b>
<b>Current liabilities</b>				
Financial liabilities				
a) Borrowings		30,993	-	30,993
b) Acceptances		-	-	-
c) Trade payables		4,648	-	4,648
d) Other financial liabilities		8,530	-	8,530
Employee benefit obligations		111	-	111
Current tax liabilities (net)		1,554	-	1,554
Other current liabilities		28,427	-	28,427
<b>Total current liabilities</b>		<b>74,263</b>	<b>-</b>	<b>74,263</b>
<b>Total equity &amp; liabilities</b>		<b>212,507</b>	<b>(9,139)</b>	<b>203,368</b>

\* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note

### (ii) Reconciliation of balance sheet as at 31 March 2016 as per Indian GAAP and Ind-AS.

Amount ₹ in Lakhs				
	Notes	As per Indian GAAP*	Adjustments	As per Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		4,138	-	4,138
Intangible assets				
a) Content advances		109,468	-	109,468
b) Film rights		91,538	-	91,538
c) Other intangible assets		36	-	36
d) Intangible assets under development		854	-	854
Financial assets				
a) Investments	(iv)	5,543	1,778	7,321
b) Loans		2,346	-	2,346
c) Restricted deposits		574	-	574
d) Other financial assets		781	-	781
Other non current assets	(i)	12,945	(9,337)	3,608
<b>Total non-current assets</b>		<b>228,223</b>	<b>(7,559)</b>	<b>220,664</b>



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Amount ₹ in Lakhs

	Notes	As per Indian GAAP*	Adjustments	As per Ind AS
<b>Current assets</b>				
Inventories		307	-	307
Financial assets				
a) Trade receivables	(ii)	14,267	(285)	13,982
b) Cash and cash equivalents		1,719	-	1,719
c) Restricted deposits		1,206	-	1,206
d) Loans		2,808	-	2,808
e) Other financial assets		130	-	130
Other current assets	(vi)	398	(97)	301
<b>Total current assets</b>		<b>20,835</b>	<b>(382)</b>	<b>20,453</b>
<b>Total assets</b>		<b>249,058</b>	<b>(7,941)</b>	<b>241,117</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		9,358	-	9,358
Other equity		109,539	1,602	111,141
<b>Total equity</b>		<b>118,897</b>	<b>1,602</b>	<b>120,499</b>
<b>Liabilities</b>				
<b>Non current liabilities</b>				
Financial liabilities				
a) Borrowings	(vi)	10,609	(97)	10,512
b) Trade payables		104	-	104
c) Other financial liabilities		3	-	3
Employee benefit obligations		254	-	254
Deferred tax liabilities (net)	(i) and (vii)	28,818	(9,446)	19,372
Other non-current liabilities		102	-	102
<b>Total non-current liabilities</b>		<b>39,890</b>	<b>(9,543)</b>	<b>30,347</b>
<b>Current liabilities</b>				
Financial liabilities				
a) Borrowings		17,223	-	17,223
b) Acceptances		5,749	-	5,749
c) Trade payables		11,902	-	11,902
d) Other financial liabilities		10,046	-	10,046
Employee benefit obligations		131	-	131
Current tax liabilities (net)		2,846	-	2,846
Other current liabilities		42,374	-	42,374
<b>Total current liabilities</b>		<b>90,271</b>	<b>-</b>	<b>90,271</b>
<b>Total equity &amp; liabilities</b>		<b>249,058</b>	<b>(7,941)</b>	<b>241,117</b>

\* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note

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### (iii) Reconciliation of statement of profit and loss for the year ended 31 March 2016 as per Indian GAAP and Ind-AS.

Amount ₹ in Lakhs

	Notes	As per Indian GAAP*	Reclassifications	Adjustments	As per Ind AS
<b>Revenue</b>					
Revenue from operations (net)		117,868	-	-	117,868
Other income		1,334	-	-	1,334
<b>Total revenue</b>		<b>119,202</b>	<b>-</b>	<b>-</b>	<b>119,202</b>
<b>Expenses</b>					
Film right costs including amortisation costs		77,433	-	-	77,433
Changes in inventories of film rights		(203)	-	-	(203)
Employee benefits expense	(iii) and (v)	4,456	-	47	4,503
Finance costs		3,372	-	-	3,372
Depreciation and amortisation expense		545	-	-	545
Other expenses	(ii)	15,469	-	27	15,496
<b>Total expenses</b>		<b>101,072</b>	<b>-</b>	<b>74</b>	<b>101,146</b>
Profit before tax		<b>18,130</b>	<b>-</b>	<b>(74)</b>	<b>18,056</b>
<b>Tax expense</b>					
Current tax		3,975	-	(10)	3,965
Deferred tax	(vii)	2,907	-	(8)	2,899
Short/(excess) provision of earlier years		(71)	-	-	(71)
		<b>6,811</b>	<b>-</b>	<b>(18)</b>	<b>6,793</b>
<b>Profit after tax for the year</b>		<b>11,319</b>	<b>-</b>	<b>(56)</b>	<b>11,263</b>
<b>Other comprehensive income</b>					
(i) Items that will not be reclassified to profit or loss		-	-	-	-
Remeasurement gain on defined benefit plan	(v)	-	-	13	13
Income tax effect		-	-	(1)	(1)
<b>Total comprehensive income for the period</b>		<b>11,319</b>	<b>-</b>	<b>(44)</b>	<b>11,275</b>

\* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note

## Notes

to the standalone financial statements and other explanatory information

### (iv) Reconciliation of equity as at 31 March 2016 and 1 April 2015

		Amount ₹ in Lakhs	
	Notes	31 March 2016	1 April 2015
<b>Total equity (shareholders' funds) under Indian GAAP</b>		<b>118,897</b>	<b>102,945</b>
<b>Add/(Less): Adjustments for GAAP differences</b>			
Increase in employee stock option outstanding due to fair value	(iii)	35	138
Decrease in retained earning due to employee stock option fair value	(iii)	(35)	(138)
Actuarial gain recorded as other comprehensive income	(v)	(13)	-
Tax impact of actuarial gain	(v)	1	-
Gratuity expenses	(v)	12	-
Adjustment on account of Ind AS transition for expected credit loss	(ii)	(285)	(258)
Tax adjustment on account of Ind AS transition for expected credit loss, as applicable	(vii)	89	89
Tax adjustments including income tax impact on above, as applicable		18	-
Fair value impact of equity shares issued towards acquisition of investments of Universal Power Systems Private Limited	(iv)	1,780	-
<b>Total equity (shareholders' funds) under Ind AS</b>		<b>120,499</b>	<b>102,776</b>

### (v) Reconciliation of total comprehensive income for the year ended 31 March 2016

		Amount ₹ in Lakhs	
	Notes	31 March 2016	
<b>Net profit as per Indian GAAP</b>		<b>11,319</b>	
Impact of employee stock option expenses due to fair value	(iii)	(34)	
Actuarial gain recorded as other comprehensive income	(v)	(13)	
Adjustment on account of Ind AS transition for expected credit loss	(ii)	(27)	
Income tax adjustments impact on above, as applicable		18	
Deferred tax adjustments including income tax impact on above, as applicable	(vii)	8	
<b>Net profit after tax for the year before other comprehensive income</b>		<b>11,271</b>	

## Notes

### to the standalone financial statements and other explanatory information

#### C Notes to first time adoption of Ind AS:

##### (i) MAT Credit

Under Previous GAAP, MAT credit was disclosed under noncurrent assets. In accordance with Ind AS 12, deferred tax asset shall include any carry forward unused tax credits. Hence, MAT credit entitlement has been included in deferred tax liabilities.

##### (ii) Expected Credit Loss

Under Indian GAAP allowances of doubtful debt was provided as per management estimate whereas under Ind AS allowances are based on expected credit loss model as per Ind - AS 109 - Financial Instruments.

##### (iii) ESOP accounting

Under Ind-AS, it is measured using grant date fair value whereas under Indian GAAP, ESOP liability was accounted for at intrinsic value.

##### (iv) Equity settled business combination

Under Ind-AS, the same has been accounted for at fair value of equity shares on the acquisition date as per Ind-AS 103 - Business Combinations whereas under Indian GAAP, the acquisition of a subsidiary by issuing equity shares to the transferor was accounted for at fair value of those equity shares on the date of agreement.

##### (v) Other comprehensive income (OCI)

Ind-AS requires preparation of Statement of Other Comprehensive Income in addition to Statement of Profit and Loss. Re-Measurement gain/loss on defined benefit plans earlier accounted for in statement of profit and loss under Indian GAAP has been reclassified to OCI as required by Ind-AS 19 - Employee Benefits.

##### (vi) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings were disclosed as prepaid expenses and charged to statement of profit and loss on a systematic basis. Under Ind AS, borrowings are recorded initially at fair value less transaction costs and are subsequently measured at amortised cost as per the Effective Interest Rate (EIR) method.

##### (vii) Deferred Tax

Deferred tax under Ind AS has been recognized for temporary differences between tax base and the book base of the relevant assets and liabilities. Under IGAAP the deferred tax was accounted based on timing differences impacting the profit or loss for the period. Deferred tax on aforesaid Ind AS adjustments has been created for both periods - as on 31 March 2016 and 1 April 2015.

##### (viii) Effect of Ind AS adoption on Statement of Cash Flow

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31 March 2016 as compared with the Indian GAAP.

##### (ix) Retained Earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

## Notes

to the standalone financial statements and other explanatory information

### 49 Auditors' remuneration

	Amount ₹ in Lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
As auditor		
Statutory audit (including IFCOFR)	115	81
Limited review	44	13
Tax audit	7	14
	<b>166</b>	<b>108</b>
In other capacity		
Other services (certification fees)	9	15
	<b>9</b>	<b>15</b>
Reimbursement of expenses	16	9
	<b>16</b>	<b>9</b>
<b>Total</b>	<b>191</b>	<b>132</b>

**50** 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.

**51** 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 ₹ 427 lakh (31 March 2016: ₹ 374 lakh), of which ₹ 10 lakhs (31 March 2016: ₹ 20 lakh) have been spent during the current year.

### 52 Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2017 and the date of authorisation of these standalone financial statements

### 53 Authorisation of financial statements

The financial statement for the year ended 31 March 2017 (including comparatives) were approved by the board of directors on 26 May 2017

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Adi P. Sethna**

Partner

Membership No: 108840

Place: Mumbai

Date : 26 May 2017

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

**Sunil Lulla**

Executive Vice Chairman and Managing Director (DIN: 00243191)

**Dinesh Modi**

Group Chief Financial Officer (India)

Place: New Delhi

Date : 26 May 2017

**Jyoti Deshpande**

Executive Director (DIN: 02303283)

**Dimple Mehta**

Vice President - 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 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 state of affairs (consolidated financial position), consolidated profit and loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group are responsible for the design, implementation and maintenance of internal control 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. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting

records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements 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 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 these 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. 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 paragraph 9 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these 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 separate financial statements and on the other financial information 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 financial position of the Group as at 31 March 2017, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

## Other Matter

9. We did not audit the financial information of ten subsidiaries, whose financial information reflect total assets of ₹ 18,495 lakhs and net assets of ₹ (2,451) lakhs as at 31 March 2017, total revenues of ₹ 5,213 lakhs and net cash outflows amounting to ₹ 169 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information 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-section (3) 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 above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

10. The Company had prepared separate sets of consolidated financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports dated 27 May 2016 and 29 May 2015 respectively. These separate sets of consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the

Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
- 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;
  - 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;
  - The consolidated financial statements 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;
  - In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
  - On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 38 to the consolidated financial statements.

(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 covered under the Act during the year ended 31 March 2017;

(iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company, and its subsidiary companies covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No.: 108840

Place: Mumbai

Date: 26 May 2017

## Annexure A 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 2017

### Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the 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'), as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control criteria considering the essential components of Internal control as stated in Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary companies as aforesaid.

### Meaning of Internal Financial Controls over Financial Reporting

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

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

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to

the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2017, based on the internal control criteria considering the essential components of Internal control as stated in Guidance Note issued by ICAI.

## Other Matters

9. We did not audit the IFCoFR in so far as it relates to seven subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 11,843 lakhs and net assets of ₹ 800 lakhs as at 31 March 2017, total revenues of ₹ 5,195 lakhs and net cash outflows

amounting to ₹ 155 lakhs for the year ended on that date, as considered in the consolidated financial statements. The IFCoFR in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No.: 108840

Place: Mumbai

Date: 26 May 2017

# Consolidated Balance Sheet

as at 31 March 2017

Amount ₹ in Lakhs

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	4,216	4,440	4,130
Intangible assets	3			
a) Content advances		141,611	130,448	99,406
b) Film rights		120,370	122,105	117,249
c) Other intangible assets		1,900	2,206	34
d) Intangible assets under development		2,550	2,803	2,405
e) Goodwill		2,060	2,130	-
Financial assets				
a) Loans	4	3,533	1,789	1,449
b) Restricted deposits	10	217	574	382
c) Other financial assets	5	864	835	841
Other non-current assets	6	6,159	5,795	2,634
<b>Total non-current assets</b>		<b>283,480</b>	<b>273,125</b>	<b>228,530</b>
<b>Current assets</b>				
Inventories	7	46	340	13,691
Financial assets				
a) Investments*		0	0	-
b) Trade and other receivables	8	63,058	40,037	46,608
c) Cash and bank balances	9	13,417	29,210	15,875
d) Restricted deposits	10	4,256	1,206	1,093
e) Loans	11	3,013	5,457	4,589
f) Other financial assets	12	187	228	144
Other current assets	13	125	470	786
<b>Total current assets</b>		<b>84,102</b>	<b>76,948</b>	<b>82,786</b>
<b>Total assets</b>		<b>367,582</b>	<b>350,073</b>	<b>311,316</b>
* Amount below one lakh				
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	14	9,385	9,358	9,250
Other equity	15	191,521	165,210	132,903
<b>Equity attributable to owners</b>		<b>200,906</b>	<b>174,568</b>	<b>142,153</b>
Non-controlling interests	16	(466)	478	120
<b>Total equity</b>		<b>200,440</b>	<b>175,046</b>	<b>142,273</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
a) Borrowings	17	14,940	10,659	9,533
b) Trade payables	18	84	104	98
c) Other financial liabilities	19	1	3	3
Employee benefit obligations	20	450	355	221
Deferred tax liabilities	21	22,499	19,884	16,220
Other non-current liabilities		3,016	102	-
<b>Total non-current liabilities</b>		<b>40,990</b>	<b>31,107</b>	<b>26,075</b>
<b>Current liabilities</b>				
Financial liabilities				
a) Short-term borrowings	22	43,033	17,223	32,968
b) Acceptances	23	5,795	5,749	-
c) Trade payables	24	29,542	28,169	23,785
d) Other financial liabilities	25	10,886	10,155	7,002
Employee benefit obligations	26	218	144	113
Current tax liabilities	27	4,400	4,047	1,627
Other current liabilities	28	32,278	78,433	77,473
<b>Total current liabilities</b>		<b>126,152</b>	<b>143,920</b>	<b>142,968</b>
<b>Total liabilities</b>		<b>167,142</b>	<b>175,027</b>	<b>169,043</b>
<b>Total equity and liabilities</b>		<b>367,582</b>	<b>350,073</b>	<b>311,316</b>

Notes 1 to 53 form an integral part of these consolidated financial statements  
As per our report of even date

**For and on behalf of Board of Directors**For **Walker Chandio & Co LLP**Chartered Accountants  
Firm Registration No.: 001076N/N500013**Adi P. Sethna**  
Partner

Membership No: 108840

Place: Mumbai  
Date : 26 May 2017**Sunil Lulla**Executive Vice Chairman and Managing  
Director (DIN: 00243191)**Dinesh Modi**

Group Chief Financial Officer (India)

Place: New Delhi  
Date : 26 May 2017**Jyoti Deshpande**Executive Director  
(DIN: 02303283)**Dimple Mehta**Vice President - Company Secretary  
and Compliance Officer

## Consolidated Statement of Profit and Loss

for the year ended 31 March 2017

		Amount ₹ in Lakhs	
	Notes	Year ended 31 March 2017	Year ended 31 March 2016
<b>Revenue</b>			
Revenue from operations	29	139,970	158,268
Other income	30	4,558	4,302
<b>Total revenue</b>		<b>144,528</b>	<b>162,570</b>
<b>Expenses</b>			
Film right costs including amortisation costs	31	78,484	89,648
Changes in inventories of film rights	32	294	13,351
Employee benefits expense	33	7,053	5,619
Finance costs	34	5,452	3,386
Depreciation and amortisation expense	35	958	947
Other expenses	36	20,064	17,512
<b>Total expenses</b>		<b>112,305</b>	<b>130,463</b>
<b>Profit before tax</b>		<b>32,223</b>	<b>32,107</b>
<b>Tax expense</b>			
Current tax	21	7,699	4,987
Deferred tax	21	195	2,913
		<b>7,894</b>	<b>7,900</b>
<b>Profit for the period</b>		<b>24,329</b>	<b>24,207</b>
<b>Profit after tax for the year</b>		<b>24,329</b>	<b>24,207</b>
<b>Attributable to:</b>			
Equity holders of Eros International Media Limited		25,745	23,867
Non-controlling interests		(1,416)	340
<b>Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
Remeasurement gain on defined benefit plan		-	14
Income tax effect		(8)	(2)
<b>(ii) Items that will be reclassified subsequently to profit or loss</b>			
Exchange differences on translating foreign operations		(452)	2,106
<b>Total Comprehensive Income for the year</b>		<b>23,869</b>	<b>26,325</b>
<b>Attributable to:</b>			
Equity holders for Eros International Media Limited		24,813	25,967
Non-controlling interests		(944)	358
<b>Earnings per equity share</b>			
1. Basic	37	27.49	25.61
2. Diluted	37	27.00	25.40

Notes 1 to 53 form an integral part of these consolidated financial statements

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Adi P. Sethna**

Partner

Membership No: 108840

Place: Mumbai

Date : 26 May 2017

For and on behalf of Board of Directors

**Sunil Lulla**

Executive Vice Chairman and Managing  
Director (DIN: 00243191)

**Dinesh Modi**

Group Chief Financial Officer (India)

Place: New Delhi

Date : 26 May 2017

**Jyoti Deshpande**

Executive Director  
(DIN: 02303283)

**Dimple Mehta**

Vice President - Company Secretary  
and Compliance Officer

## Consolidated Statement of Changes in Equity

as at 31 March 2017

### A. Equity share capital (Refer note 14)

	Number	Amounts ₹ in lakhs
<b>Balance as at 1 April 2015</b>	<b>92,507,274</b>	<b>9,250</b>
Add: Issued on exercise of employee share options	180,920	18
Add: Acquisition of subsidiary	900,970	90
<b>Balance as at 31 March 2016</b>	<b>93,589,164</b>	<b>9,358</b>
Add: Issued on exercise of employee share options	269,553	27
<b>Balance as at 31 March 2017</b>	<b>93,858,717</b>	<b>9,385</b>

### B. Other Equity (Refer note 15 and 16)

	Amount ₹ in Lakhs								
	Securities premium	General reserves	Capital reserves	Share options outstanding	Retained earnings	Currency translation reserve	Total other reserve	Non-controlling interest	Total Equity
<b>Balance as at 1 April 2015</b>	31,860	508	56	1,088	94,887	4,504	132,903	120	133,023
Profit for the year	-	-	-	-	23,867	-	23,867	340	24,207
Other comprehensive income for the year	-	-	-	-	12	2,088	2,100	18	2,118
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>23,879</b>	<b>2,088</b>	<b>25,967</b>	<b>358</b>	<b>26,325</b>
Acquisition of Techzone under business combination	5,191	-	-	-	-	-	5,191	-	5,191
Additions for employee stock options exercised during the year	53	-	-	-	-	-	53	-	53
Transfer from/to share option outstanding account	409	-	-	(409)	-	-	-	-	-
Employee stock option compensation expense	-	-	-	1,096	-	-	1,096	-	1,096
<b>Balance as at 31 March 2016</b>	<b>37,513</b>	<b>508</b>	<b>56</b>	<b>1,775</b>	<b>118,766</b>	<b>6,592</b>	<b>165,210</b>	<b>478</b>	<b>165,688</b>
Profit for the year	-	-	-	-	25,745	-	25,745	(1,416)	24,329
Other comprehensive income / (loss) for the year	-	-	-	-	(8)	(924)	(932)	472	(460)
<b>Total comprehensive income/ (loss) for the year</b>	-	-	-	-	<b>25,737</b>	<b>(924)</b>	<b>24,813</b>	<b>(944)</b>	<b>23,869</b>
Transfer from/to share option outstanding account	628	-	-	(628)	-	-	-	-	-
Employee stock option compensation expense	-	-	-	1,498	-	-	1,498	-	1,498
<b>Balance as at 31 March 2017</b>	<b>38,141</b>	<b>508</b>	<b>56</b>	<b>2,645</b>	<b>144,503</b>	<b>5,668</b>	<b>191,521</b>	<b>(466)</b>	<b>191,055</b>

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants  
Firm Registration No.: 001076N/N500013

**Adi P. Sethna**  
Partner

Membership No: 108840

Place: Mumbai  
Date : 26 May 2017

For and on behalf of Board of Directors

**Sunil Lulla**  
Executive Vice Chairman and Managing Director (DIN: 00243191)

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

Place: New Delhi  
Date : 26 May 2017

**Jyoti Deshpande**  
Executive Director (DIN: 02303283)

**Dimple Mehta**  
Vice President - Company Secretary and Compliance Officer



## Consolidated Cash Flow Statement

for the year ended 31 March 2017

Amount ₹ in Lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
<b>Cash flow from operating activities</b>	<b>32,223</b>	<b>32,107</b>
<b>Profit before tax</b>		
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation and other amortisation	958	947
Amortisation on film rights	44,630	61,787
Trade receivables written off	337	886
Sundry balances written back	(383)	(155)
Content advances written off	741	426
Advances and deposits written off	294	2
Provision for doubtful trade receivables	3,111	259
Finance costs	5,660	3,536
Finance income	(2,666)	(3,554)
(Gain) on sale of tangible assets (net)	35	7
Impairment loss on Goodwill	70	-
Expense on employee stock option scheme	1,433	1,096
Unrealised foreign exchange (gain)/ loss	1,367	546
<b>Operating profit before working capital changes</b>	<b>87,810</b>	<b>97,890</b>
Movements in working capital:		
Increase/(decrease) in trade payables	4,356	(74)
Increase/(decrease) in other financial liabilities	246	(3,028)
Increase in employee benefit obligations	162	72
(Decrease)/increase in other liabilities	(41,942)	11
Decrease in inventories	52	14,277
(Increase)/decrease in trade receivables	(23,715)	12,235
Decrease in short-term loans	1,995	673
(Increase) in other current assets	(27)	(831)
(Increase) in long-term loans	(2,713)	(1,729)
Decrease in other financial assets	306	297
<b>Cash generated from operations</b>	<b>26,530</b>	<b>119,793</b>
Taxes paid (net)	(3,015)	(2,747)
<b>Net cash generated from operating activities (A)</b>	<b>23,515</b>	<b>117,046</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible assets	(452)	(596)
Purchase of other intangible assets	(13)	(27)
Purchase of intangible film rights and related content	(60,426)	(86,476)
Proceeds from fixed deposits with banks	10,302	-
Investment in fixed deposits with banks	-	(12,825)
Proceeds from sale of fixed assets	1	39
Cash and bank balances received on acquisition of subsidiary	-	169
Interest received	468	1,223
<b>Net cash used in investing activities (B)</b>	<b>(50,120)</b>	<b>(98,493)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares (net)	27	71
Repayment of long-term borrowings	(7,998)	(6,188)
Proceeds from long-term borrowings	11,074	9,092
Proceeds/(repayment) from short-term borrowings	25,340	(16,194)
Interest paid	(4,625)	(5,468)
<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>23,818</b>	<b>(18,687)</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(2,787)</b>	<b>(134)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,342</b>	<b>3,447</b>
Effect of exchange rate on consolidation of foreign subsidiaries	97	29
<b>Cash and cash equivalents at the end of the year (refer note 9)</b>	<b>652</b>	<b>3,342</b>

Note: The above cash flow statements have been prepared under the 'indirect method' as set out in Indian Accounting Standards (Ind-AS 7)- Statement of Cash flows.

As per our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants  
Firm Registration No.: 001076N/N500013

**Adi P. Sethna**  
Partner

Membership No: 108840

Place: Mumbai  
Date : 26 May 2017

For and on behalf of Board of Directors

**Sunil Lulla**  
Executive Vice Chairman and Managing  
Director (DIN: 00243191)

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

Place: New Delhi  
Date : 26 May 2017

**Jyoti Deshpande**  
Executive Director  
(DIN: 02303283)

**Dimple Mehta**  
Vice President - Company Secretary  
and Compliance Officer

# Summary of Significant Accounting Policies

## and explanatory notes to the consolidated financial statements

### 1. Corporate Information and Significant accounting policies

#### Corporate Information

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

The Group is engaged in the business of sourcing Indian film content either through acquisition, co-production or production of such films, and subsequently exploiting and distributing such films in India through music release, theatrical distribution, DVD and VCD release, television licensing and new media distribution avenues such as cable or DTH licensing; and trading and exporting overseas rights to its parent Eros Worldwide FZ LLC. The Group also includes Ayngaran group of companies which is involved in the acquisition, production and distribution of Tamil films worldwide.

These consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on 26 May 2017.

#### Basis of preparation

For all periods, up to and including the year ended 31 March 2016, the Group prepared its consolidated financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These consolidated financial statements for the year ended 31 March 2017 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by Ministry of Corporate Affairs. These are the first Ind-AS consolidated financial statements of the Group, wherein the Group has restated its consolidated balance sheet as at 1 April 2015 and consolidated financial statements for the year ended and as at 31 March 2016 also as per Ind-AS.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Employee Stock Option Compensation measured at fair value (refer accounting policy on ESOP).
- Accounting of Business Combinations at fair value (refer accounting policy on Business Combinations) and

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.

#### Principles of consolidation

The Group financial statements consolidate results of the Company and entities controlled by the Company i.e. its subsidiary undertakings. Control exists when the Company has existing rights that give the Company the current ability to direct the activities which affect the entity's returns; the Company is exposed to or has rights to a return which may vary depending on the entity's performance; and the Company has the ability to use its powers to affect its own returns from its involvement with the entity.

Unrealized gains on transactions between the Group and its subsidiaries are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Business combinations are accounted for under the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiaries, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiaries are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

Changes in controlling interest in a subsidiary that do not result in gaining or losing control are not business combinations as defined by Ind AS 103 'Business Combinations'. The Group adopts the "equity transaction method" which regards the transaction as a realignment of the interests of the different equity holders in the Group. Under the equity transaction method an increase or decrease in the Group's ownership interest is accounted for as follows:

- ⦿ the non-controlling component of equity is adjusted to reflect the non-controlling interest revised share of the net carrying value of the subsidiaries net assets;
- ⦿ the difference between the consideration received or paid and the adjustment to non-controlling interests is debited or credited to equity;
- ⦿ no adjustment is made to the carrying amount of goodwill or the subsidiaries' net assets as reported in the consolidated financial statements; and
- ⦿ no gain or loss is reported in the Statement of profit and loss.

### Significant accounting policies

#### a. Revenue recognition

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

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

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

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

**Other** — DVD, CD and video distribution revenue is recognized on the date the product is delivered or if licensed in line with the above criteria. Provision is made for physical returns where applicable. Digital and ancillary media revenues are recognized at the earlier of when the content is accessed or declared.

Visual effects, production and other fees for services rendered by the Group and overhead recharges are recognized in the period in which they are earned and in certain cases, the stage of production is used to determine the proportion recognized in the period.

#### Other income

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

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

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

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes etc. up to the date the asset is ready for its intended use. Depreciation is provided under written down value method at the rates and in the manner prescribed under Schedule II to the Companies Act, 2013.

#### c. Intangible assets

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

Investments in films and associated rights, including acquired rights and distribution advances in respect of completed films, are stated at cost less amortisation less provision for impairment. Costs include production costs, overhead and capitalized interest costs net of any amounts received from third party investors. A charge is made to write down the cost of completed rights over the estimated useful lives, writing off more in year one which recognizes initial income flows and then the balance over a period of up to nine years, except where the asset is not yet available for exploitation. The average life of the assets is the lesser of 10 years or the remaining life of the content rights. The amortisation charge is recognized in the Statement of profit and loss within film right costs including amortisation costs. The determination of useful life is based upon Management's judgment and includes assumptions on the timing and future estimated revenues to be generated by these assets, which are summarized in Note 3.

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

Intangible assets comprising film scripts and related costs are stated at cost less amortisation less provision for impairment. The script costs are amortized over a period of 3 years on a straight-line basis and the amortisation charge is recognized in the Statement of profit and loss within film right costs including amortisation costs. The determination of useful life is based upon Management's estimate of the period over which the Company explores the possibility of making films using the script.

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

Goodwill represents excess of the consideration transferred in a business combination over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is carried at cost less accumulated impairment losses. Gain on bargain purchase is recognized immediately after acquisition in the consolidated Statement of profit and loss.

### d. Impairment of non-financial assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at the cash generating unit level. Goodwill is allocated to those cash generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Goodwill is tested for impairment at least annually. All other individual assets or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling

price of assets and their 'value in use'. Impairment losses recognized for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit.

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

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

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist.

### e. Borrowing costs

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

### f. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on risk exposure arising from financial assets like debt instruments measured at amortised cost e.g., trade receivables and deposits.

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of profit and

loss. This amount is reflected under the head 'other expenses' in the Statement of profit and loss.

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

### g. Inventories

Inventories primarily comprise of music CDs and DVDs, and are valued at the lower of cost and net realizable value. Cost in respect of goods for resale is defined as purchase price, including appropriate labour costs and other overhead costs. Cost in respect of raw materials is purchase price.

Purchase price is assigned using a weighted average basis. Net realizable value is defined as anticipated selling price or anticipated revenue less cost to completion.

### h. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligations and can be reliably measured. Provisions are measured at management's best estimate of the expenditure required to settle the obligations at the statement of financial position date and are discounted to present value where the effect is material.

### i. Retirement and other employee benefits

#### Defined contribution plan

Provident fund and National Pension scheme: The Group's contributions paid or payable during the year to the provident fund, employee's state insurance corporation and National pension scheme are recognized in the Statement of profit and loss. This fund is administered by the respective Government authorities, and the Group has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

#### Defined benefit plan

Gratuity: The Group's liability towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The cost for past services is recognized on

## Summary of Significant Accounting Policies

### and explanatory notes to the consolidated financial statements

a straight-line basis over the average period until the amended benefits become vested. Re-measurement gains and losses are recognized immediately in the Other Comprehensive Income as income or expense and are not reclassified to Statement of profit and loss in subsequent periods. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the 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

In accordance with Ind AS 102 'Share Based Payments', the fair value of shares or options granted is recognized as personnel costs with a corresponding increase in equity. The fair value is measured at the grant date and spread over the period during which the recipient becomes unconditionally entitled to payment unless forfeited or surrendered.

The fair value of share options granted is measured using the Black Scholes model, each taking into account the terms and conditions upon which the grants are made. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of non-market based vesting conditions. The amount recognized as an expense is adjusted to reflect the revised estimate of the number of equity instruments that are expected to become exercisable, with a corresponding adjustment to equity reserves. The Group's share option plan does not feature any cash settlement option.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares are allocated to share capital with any excess being recorded as securities premium.

#### j. Leases

A lease is classified at the inception date as a finance lease or an operating lease. Leases in which significantly all the risks and rewards incidental to ownership are transferred to the lessee are classified as finance leases. All other leases are operating leases. Payments under operating leases are charged to the Statement of profit and loss on a straight-line basis over the period of the lease.

#### k. Foreign currency

Transactions in foreign currencies are translated at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated at the prevailing rates of exchange at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognized in the Statement of profit and loss in the period in which they arise. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The assets and liabilities in the financial statements of foreign subsidiaries are translated at the prevailing rate of exchange at the balance sheet date. Income and expenses are translated at the annual average exchange rate. The exchange differences arising from the retranslation of the foreign operations are recognized in other comprehensive income and taken to the "currency translation reserve" in equity.

On disposal of a foreign operation the cumulative translation differences (including, if applicable, gains and losses on related hedges) are transferred to the Statement of profit and loss as part of the gain or loss on disposal.

Items included in the Consolidated financial statements of each of the Group's entities are measured using



## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated financial statements are presented in Indian Rupee (INR - ₹) which is Company's functional and presentation currency.

### I. Financial instrument

#### Non-derivative financial instruments

Financial assets and financial liabilities are recognized when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities (other than financial assets and liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in the statement of profit or loss. Financial assets and financial liabilities are offset against each other and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

A financial instrument is measured at fair value through profit or loss if:

- ⦿ it has been acquired principally for the purpose of selling/repurchasing it in the near term;
- ⦿ on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent pattern of short term profit taking; or
- ⦿ it is a derivative that is not designated in a hedging relationship.

The fair value of financial instruments denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore for financial instruments that are classified as fair value through profit and loss, the exchange component is recognized in profit and loss.

#### Financial Assets

Financial assets are divided into the following categories:

- ⦿ financial assets carried at amortised cost
- ⦿ financial assets at fair value through other comprehensive income
- ⦿ financial assets at fair value through profit and loss;

Financial assets are assigned to the different categories by management on initial recognition, depending on the nature and purpose of the financial assets. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

#### Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These are non-derivative financial assets that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank and cash balances) are measured subsequent to initial recognition at amortized cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognized in the Statement of profit and loss.

In accordance with Ind AS 109 "Financial Instruments", the Group recognizes impairment loss allowance on trade receivables and content advances based on historically observed default rates. Impairment loss allowance recognized during the year is charged to Statement of profit and loss.

#### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are non-derivative financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



## Summary of Significant Accounting Policies

### and explanatory notes to the consolidated financial statements

#### Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. It includes non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. Gains and losses arising from investments classified under this category is recognized in the Statement of profit and loss when they are sold or when the investment is impaired.

In the case of impairment, any loss previously recognized in other comprehensive income is transferred to the Statement of profit and loss. Impairment losses recognized in the Statement of profit and loss on equity instruments are not reversed through the Statement of profit and loss. Impairment losses recognized previously on debt securities are reversed through the Statement of profit and loss when the increase can be related objectively to an event occurring after the impairment loss was recognized in the Statement of profit and loss.

When the Group considers that fair value of financial assets can be reliably measured, the fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group applies its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. Equity instruments measured at fair value through profit or loss that do not have a quoted price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment at the end of each reporting period.

An assessment for impairment is undertaken at least at each balance sheet date.

A financial asset is derecognized only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

#### Financial liabilities

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

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading such as a derivative, except for a designated and effective hedging instrument, or if upon initial recognition it is thus designated to eliminate or significantly reduce measurement or recognition inconsistency or it forms part of a contract containing one or more embedded derivatives and the contract is designated as fair value through profit or loss.

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

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

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

A financial liability is derecognized only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires. Changes in fair value of liabilities are included in Statement of profit and loss.

#### m. Taxes

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

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

also recognized in equity or other comprehensive income.

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

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

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax in respect of undistributed earnings of subsidiaries is recognized except where the Group is able to control the timing of the reversal of the temporary difference and the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilized.

Minimum alternate tax (MAT) paid in a year is charged to the 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.

### n. Earnings per share

Basic earnings per share is computed using the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is computed by considering the impact of the potential issuance of ordinary shares, on the weighted average number of shares outstanding during the period except where the results would be antidilutive.

### o. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments which are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Deposits held with banks as security for overdraft facilities are included in restricted deposits held with bank.

### p. Segment reporting

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

The Group has identified three geographic markets: India, United Arab Emirates and Rest of the world.

### q. Standards Issued but not yet Effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to

## Summary of Significant Accounting Policies

### and explanatory notes to the consolidated financial statements

IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 1, 2017.

#### **Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

#### **Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is evaluating the requirements of the amendment and their effect on the consolidated financial statements.

### **Significant accounting judgements, estimates and assumptions**

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Group based its assumptions and estimates on parameters available when

the consolidated financial statements were prepared and reviewed at each balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures.

#### **a. Intangible assets**

The Group is required to identify and assess the useful life of intangible assets and determine their income generating life. Judgment is required in determining this and then providing an amortisation rate to match this life as well as considering the recoverability or conversion of advances made in respect of securing film content or the services of talent associated with film production.

Accounting for the film content requires management's judgment as it relates to total revenues to be received and costs to be incurred throughout the life of each film or its license period, whichever is the shorter. These judgments are used to determine the amortisation of capitalized film content costs. The Group uses a stepped method of amortisation on first release film content writing off more in year one which recognizes initial income flows and then the balance over a period of up to nine years. In the case of film content that is acquired by the Group after its initial exploitation, commonly referred to as Library, amortisation is spread evenly over the lesser of 10 years or the license period. Management's policy is based upon factors such as historical performance of similar films, the star power of the lead actors and actresses and others. Management regularly reviews, and revises when necessary, its estimates, which may result in a change in the rate of amortisation and/or a write down of the asset to the recoverable amount.

The Group tests annually whether intangible assets including goodwill have suffered any impairment, in accordance with the accounting policy. These calculations require judgments and estimates to be made, and in the event of an unforeseen event these judgments and assumptions would need to be revised and the value of the intangible assets could be affected. There may be instances where the useful life of an asset is shortened to reflect the uncertainty of its estimated income generating life.

#### **b. Employee benefit plans**

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future.

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

**c. Fair value measurement of Employee shares based compensation plan**

The fair value of ESOP liability is determined using valuation methods which involves making various assumptions that may differ from actual developments in the future.

**d. Impairment of non-financial assets**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**e. Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and

quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**f. Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

## Summary of Significant Accounting Policies

and explanatory notes to the consolidated financial statements

### 2 Property, plant and equipment-

Details of the Group's property, plant and equipment and their carrying amounts are as follows:

Amount ₹ in lakhs								
Gross carrying amount	Buildings	Leasehold improvements	Furniture and fixtures	Motor vehicles	Office equipment	Data processing equipment	Studio equipment	Total
<b>Balance as at 1 April 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>
Additions	-	-	13	126	24	134	-	297
Acquired on Acquisition of subsidiary	-	-	103	149	105	1,012	-	1,369
Adjustments/ disposals	-	-	-	(78)	-	-	-	(78)
Currency translation difference	-	-	-	-	2	-	-	2
<b>Balance as at 31 March 2016</b>	<b>4,108</b>	-	<b>753</b>	<b>693</b>	<b>352</b>	<b>1,787</b>	<b>1,631</b>	<b>9,324</b>
Additions	-	258	119	175	121	176	-	849
Acquired on Acquisition of subsidiary	-	-	-	-	-	-	-	-
Adjustments/ disposals	-	-	(77)	(11)	(76)	(327)	-	(491)
Currency translation difference	-	-	(1)	-	(10)	(1)	-	(12)
<b>Balance as at 31 March 2017</b>	<b>4,108</b>	<b>258</b>	<b>794</b>	<b>857</b>	<b>387</b>	<b>1,635</b>	<b>1,631</b>	<b>9,670</b>

Amount ₹ in lakhs								
Accumulated depreciation	Buildings	Leasehold improvements	Furniture and fixtures	Motor vehicles	Office equipment	Data processing equipment	Studio equipment	Total
<b>Balance as at 1 April 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>
Depreciation charge	161	-	81	97	36	256	92	723
Acquired on Acquisition of subsidiary	-	-	61	42	71	823	-	997
Adjustments/ disposals	-	-	-	(32)	-	-	-	(32)
Currency translation difference	-	-	-	-	2	-	-	2
<b>Balance as at 31 March 2016</b>	<b>952</b>	-	<b>623</b>	<b>430</b>	<b>302</b>	<b>1,557</b>	<b>1,430</b>	<b>5,294</b>
Depreciation charge	153	33	62	111	46	173	63	641
Acquired on Acquisition of subsidiary	-	-	-	-	-	-	-	-
Adjustments/ disposals	-	-	(59)	(11)	(68)	(317)	-	(455)
Currency translation difference	-	-	(1)	-	(11)	(1)	-	(13)
<b>Balance as at 31 March 2017</b>	<b>1,105</b>	<b>33</b>	<b>625</b>	<b>530</b>	<b>269</b>	<b>1,412</b>	<b>1,493</b>	<b>5,467</b>

Amount ₹ in lakhs								
Net carrying amount	Buildings	Leasehold improvements	Furniture and fixtures	Motor vehicles	Office equipment	Data processing equipment	Studio equipment	Total
Capital-work-in progress 1 April 2015								-
Capital-work-in progress 31 March 2016								410
Capital-work-in progress 31 March 2017								13
Balance as at 1 April 2015	3,317	-	156	173	28	163	293	4,130
Balance as at 31 March 2016	3,156	-	130	263	50	230	201	4,440
Balance as at 31 March 2017	3,003	225	169	327	118	223	138	4,216

As explained in note 48, the Group has used Indian GAAP carrying value of its Property, plant and equipment on date of transition as deemed cost, accordingly, the net carrying amount as per Indian GAAP as on 1 April 2015 has been considered as gross carrying amount under Ind-AS 101.

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

### 3 Intangible assets

Details of the Group's Intangible assets and their carrying amounts are as follows:

Amount ₹ in lakhs				
Gross carrying amount	Content advances	Film rights	Other intangible assets	Total
<b>Balance as at 1 April 2015</b>	99,406	403,651	258	403,909
Additions	118,869	65,310	27	65,337
Additions on acquisition	-	-	2,370	2,370
Transfer to film and content rights	(87,401)	-	-	-
Amounts written off	(426)	-	-	-
Currency translation difference	-	5,740	(1)	5,739
<b>Balance as at 31 March 2016</b>	<b>130,448</b>	<b>474,701</b>	<b>2,654</b>	<b>477,355</b>
Additions	81,222	47,457	13	47,470
Transfer to film and content rights	(69,327)	(3,962)	-	(3,962)
Amounts written off	(732)	-	-	-
Currency translation difference	-	(5,706)	(2)	(5,708)
<b>Balance as at 31 March 2017</b>	<b>141,611</b>	<b>512,490</b>	<b>2,665</b>	<b>515,155</b>

Amount ₹ in lakhs				
Accumulated Amortisation	Content advances	Film rights	Other intangible assets	Total
<b>Balance as at 1 April 2015</b>		286,402	224	286,626
Amortisation charge		61,787	224	62,011
Currency translation difference		4,407	-	4,407
<b>Balance as at 31 March 2016</b>		<b>352,596</b>	<b>448</b>	<b>353,044</b>
Amortisation charge		44,630	317	44,947
Currency translation difference		(5,106)	-	(5,106)
<b>Balance as at 31 March 2017</b>		<b>392,120</b>	<b>765</b>	<b>392,885</b>

Amount ₹ in lakhs				
Net carrying amount	Content advances	Film rights	Other intangible assets	Total
Balance as at 1 April 2015	99,406	117,249	34	117,283
Balance as at 31 March 2016	130,448	122,105	2,206	124,311
Balance as at 31 March 2017	141,611	120,370	1,900	122,270
<b>Intangible assets under development</b>				
Balance as at 1 April 2015				2,405
Balance as at 31 March 2016				2,803
Balance as at 31 March 2017				2,550

As explained in note 48, the Group has used Indian GAAP carrying value of its intangible assets on date of transition as deemed cost, accordingly, the net carrying amount as per Indian GAAP as on 1 April 2015 has been considered as gross carrying amount under Ind-AS 101.

#### Goodwill on consolidation

On 1 August 2015, Company acquired 100% of the shares and voting interests in Universal Power Systems Private Limited ("Techzone"). The Company expects that this acquisition will enable the Group to utilize Techzone's billing integration and distribution across major telecom operators in India.

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

The following table summarizes the details of acquisition- (refer note 41)

	Amount ₹ in Lakhs
a. Assets acquired	7,679
b. Liabilities acquired	(4,528)
<b>C. Net assets acquired (a-b)</b>	<b>3,151</b>
D. Purchase consideration paid	5,281
<b>E. Goodwill on consolidation as at 31 March 2016 (d-c)</b>	<b>2,130</b>
F. Impairment loss	(70)
<b>G. Goodwill on consolidation as at 31 March 2017 (e-f)</b>	<b>2,060</b>

### 4 Loans

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Amounts due from related parties (refer note 44)	57	57	57
Unsecured, considered good	3,476	1,732	1,392
Unsecured, considered doubtful	186	-	-
Less: Allowances for doubtful loans	(186)	-	-
<b>Total</b>	<b>3,533</b>	<b>1,789</b>	<b>1,449</b>

### 5 Other financial assets

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Security deposits</b>			
Security deposits- related parties (refer note 44)	652	677	707
Security deposits- others	212	158	134
<b>Total</b>	<b>864</b>	<b>835</b>	<b>841</b>

### 6 Other non- current assets

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Advance payment of taxes	992	1,797	602
(b) Balances due with statutory authorities	5,167	3,998	2,032
<b>Total</b>	<b>6,159</b>	<b>5,795</b>	<b>2,634</b>

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
VCD/ DVD/ Audio CDs	38	89	203
Film rights	8	251	13,488
<b>Total</b>	<b>46</b>	<b>340</b>	<b>13,691</b>



## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

### 8 Trade and other receivables

	Amount ₹ in lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured, considered good	1,771	1,802	-
Unsecured, considered good	50,330	28,375	36,385
Unsecured, considered doubtful	6,114	4,776	6,732
Less : Provision for doubtful debts	(6,114)	(4,776)	(6,732)
<b>Others</b>			
Dues from related parties (refer note 44)	10,039	7,578	9,524
Accrued income	918	2,282	699
<b>Total</b>	<b>63,058</b>	<b>40,037</b>	<b>46,608</b>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

### 9 Cash and bank balances

	Amount ₹ in lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Balances with banks</b>			
-in current accounts	601	3,164	2,392
-Cheques, drafts on hand	20	72	667
-Deposits with maturity of less than three months	1	1	356
Cash on hand	30	105	32
<b>Total cash and cash equivalents</b>	<b>652</b>	<b>3,342</b>	<b>3,447</b>
<b>Other bank balances</b>			
-Deposits with maturity of more than 3 months but less than 12 months	12,765	25,868	12,428
<b>Total</b>	<b>13,417</b>	<b>29,210</b>	<b>15,875</b>

### 10 Restricted deposits

	Amount ₹ in lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
i. Unclaimed dividend account	1	1	1
ii. Deposits with maturity of less than 12 months	1,353	-	-
iii. Margin money deposit- less than 12 Months	2,902	1,205	1,092
iv. Deposits with maturity more than 12 months	217	574	382
	<b>4,473</b>	<b>1,780</b>	<b>1,475</b>
Less: Disclosed under non current financial assets - Restricted deposits	(217)	(574)	(382)
<b>Total</b>	<b>4,256</b>	<b>1,206</b>	<b>1,093</b>

### 11 Loans

	Amount ₹ in lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Amounts due from related parties (refer note 44)	-	91	93
Loans and advances to employees	197	179	284
Other loans	2,800	5,088	4,212
Security deposits	16	99	-
<b>Total</b>	<b>3,013</b>	<b>5,457</b>	<b>4,589</b>

## Summary of Significant Accounting Policies

and explanatory notes to the consolidated financial statements

### 12 Other financial assets

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Interest accrued on fixed deposits	187	228	144
<b>Total</b>	<b>187</b>	<b>228</b>	<b>144</b>

### 13 Other current assets

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Prepaid expenses	110	450	786
Others	15	20	-
<b>Total</b>	<b>125</b>	<b>470</b>	<b>786</b>

### 14 Equity share capital

₹ in lakhs, except share data

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	Amounts	Number	Amounts	Number	Amounts
<b>Authorised share capital</b>						
Equity shares of ₹ 10 each	125,000,000	12,500	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>125,000,000</b>	<b>12,500</b>
<b>Issued, subscribed and fully paid- up</b>						
Equity shares of ₹ 10 each	93,858,717	9,385	93,589,164	9,358	92,507,274	9,250
<b>Total</b>	<b>93,858,717</b>	<b>9,385</b>	<b>93,589,164</b>	<b>9,358</b>	<b>92,507,274</b>	<b>9,250</b>

#### a) Reconciliation of paid- up share capital (Equity shares)

₹ in lakhs, except share data

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	Amounts	Number	Amounts	Number	Amounts
Balance at the beginning of the year	93,589,164	9,358	92,507,274	9,250	91,973,190	9,197
Add: Issued on exercise of employee share options	269,553	27	180,920	18	534,084	53
Add: Acquisition of a subsidiary	-	-	900,970	90	-	-
<b>Balance at the end of the year</b>	<b>93,858,717</b>	<b>9,385</b>	<b>93,589,164</b>	<b>9,358</b>	<b>92,507,274</b>	<b>9,250</b>

During the year, the Company has issued total 269,553 shares (2016: 180,920 ; 2015: 534,084) on exercise of options granted under the employees stock option plan (ESOP) wherein part consideration was received in the form of employees services.

On 25 February 2015, the Company entered into a share purchase agreement to acquire a controlling stake in Universal Power System Private Limited, trading by the name Techzone ("UPSPL" or "Techzone"). On 20 July 2015, the Company received approval from Foreign Investment Promotion Board ("FIPB") to acquire Techzone. On 1 August 2015, the Company allotted 900,970 equity shares to the shareholders of UPSPL at a premium of ₹ 586 per share in exchange for the entire shareholding of UPSPL. Shares so purchased have been classified as non- current investment.

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

### b) Shares held by holding company, ultimate holding company, subsidiaries / fellow subsidiaries of holding company or ultimate holding company

₹ in lakhs, except share data

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	Amounts	Number	Amounts	Number	Amounts
Equity shares of ₹ 10 each						
Eros Worldwide FZ LLC - Holding company	47,126,290	4,713	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	21,700,000	2,170

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

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	% holding in the class	Number	% holding in the class	Number	% holding in the class
Equity shares of ₹ 10 each						
Eros Worldwide FZ LLC - Holding company	47,126,290	50.21%	47,126,290	50.35%	47,126,290	50.94%
Eros Digital Private Limited - Fellow subsidiary	21,700,000	23.12%	21,700,000	23.19%	21,700,000	23.46%

### 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 1,220,890 shares (2016: 1,281,194 ; 2015: 1,100,274) 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 explanatory notes to the consolidated financial statements

### 15 Other equity

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Securities premium</b>			
Balance at the beginning of the year	37,513	31,860	31,860
Add : Additions for employee stock options exercised during the year	-	53	-
Add : Transfer from share option outstanding account	628	409	-
Add: Additions for issue of shares for acquisition of a subsidiary	-	3,411	-
Add : Fair value adjustments of investment in subsidiary	-	1,780	-
<b>Balance at the end of the year</b>	<b>38,141</b>	<b>37,513</b>	<b>31,860</b>
<b>Share options outstanding account</b>			
Balance at the beginning of the year	1,775	1,088	950
Add: Amounts recorded on grants/modifications/cancellations	-	-	-
Less: Transfer to securities premium account	(628)	(409)	-
Add: Employee stock option compensation expense	1,464	1,096	-
Add: Employee stock option compensation expense to employee's of subsidiary	34	-	-
Add: Adjustment on account of fair value of employee stock options as per Ind AS	-	-	138
<b>Balance at the end of the year</b>	<b>2,645</b>	<b>1,775</b>	<b>1,088</b>
<b>Capital reserves</b>	<b>56</b>	<b>56</b>	<b>56</b>
<b>General reserves</b>			
Balance at the beginning of the year	508	508	508
Add: Additions during the year	-	-	-
<b>Balance at the end of the year</b>	<b>508</b>	<b>508</b>	<b>508</b>
<b>Surplus from Statement of profit and loss</b>			
Balance at the beginning of the year	118,754	94,887	101,089
Add : Profit for the period	25,745	23,867	-
Adjustment on account of Ind AS transition for ESOP	-	-	(138)
Adjustment on account of Ind AS transition for expected credit loss	-	-	(6,576)
Adjustment on account of Ind AS transition for amortisation policy	-	-	512
<b>Balance at the end of the year</b>	<b>144,499</b>	<b>118,754</b>	<b>94,887</b>
<b>Other comprehensive income</b>			
<b>a) Currency translation reserve</b>			
Balance at the beginning of the year	6,592	4,504	4,504
Movement during the year	(452)	2,106	-
Share of non controlling shareholders	(472)	(18)	-
<b>Balance at the ending of the year</b>	<b>5,668</b>	<b>6,592</b>	<b>4,504</b>
<b>b) Remeasurement gain on defined benefit plan</b>	<b>4</b>	<b>12</b>	<b>-</b>
<b>Total</b>	<b>191,521</b>	<b>165,210</b>	<b>132,903</b>

### 16 Non- controlling interests

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Balance at beginning of the year</b>	<b>478</b>	<b>120</b>	<b>120</b>
(Loss) / profit for the year	(1,416)	340	-
Share in currency translation reserve	472	18	-
<b>Balance at end of year</b>	<b>(466)</b>	<b>478</b>	<b>120</b>

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

### Nature and Purpose of Reserves:-

#### Securities premium

Securities premium is used to record the premium in issue of shares. This reserve is utilised in accordance with the provision of the Act.

#### Share Options Outstanding Account

The Company has established various equity settled share-based payments plan for employees of the Company.

#### Capital Reserve

Capital Reserve is used from pre-acquisition profit of subsidiaries.

#### General Reserve

The general reserve is used from time to time to transfer profit from retained earning for appropriation purpose.

#### Currency Translation Reserve

Currency translation reserve represents the unrealised gains and losses on account of translation of foreign subsidiaries into the reporting currency.

## 17 Borrowings

	Amount ₹ in lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>a) Term loans</b>			
Term loan from banks*	22,088	19,091	16,091
Car loans#	211	169	87
	<b>22,299</b>	<b>19,260</b>	<b>16,178</b>
Less: Cumulative effect of unamortised cost	(158)	(98)	-
Less: Current maturities disclosed under other current financial liabilities (refer note 25)	(7,201)	(8,503)	(6,645)
<b>Total</b>	<b>14,940</b>	<b>10,659</b>	<b>9,533</b>

\*Term loans from banks carry an interest rate between 12% - 13% are secured by pari passu first charge on the DVD/ satellite rights acquired for the domestic market, actionable claims, revenue and receivables arising on sales of the rights and negatives of films. Term loans are further secured by

- Equitable mortgage of Company's immovable properties situated at Mumbai, India;
- Amounts held as margin money;
- Corporate guarantee of Eros International PLC, the ultimate holding company;
- Residual value of equipments and vehicles; and
- Existing rights of Hindi films with nil book value.

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 explanatory notes to the consolidated financial statements

### 18 Trade payable - non current

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Payable to related parties (refer note 44)	84	104	98
<b>Total</b>	<b>84</b>	<b>104</b>	<b>98</b>

### 19 Other financial liabilities

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Security deposits	1	3	3
<b>Total</b>	<b>1</b>	<b>3</b>	<b>3</b>

### 20 Employee benefit obligations

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for gratuity (refer note 39)	423	330	214
Leave encashment	27	25	7
<b>Total</b>	<b>450</b>	<b>355</b>	<b>221</b>

### 21 Deferred tax liabilities (net)

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Deferred tax liability arising on account of</b>			
Depreciation on tangible assets	154	409	396
Amortisation of intangible assets	30,209	29,761	25,518
Unabsorbed business losses	248	-	-
<b>Total deferred tax liability</b>	<b>30,611</b>	<b>30,170</b>	<b>25,914</b>
<b>Deferred tax asset arising on account of</b>			
Block of property, plant and equipment	64	135	161
Disallowances under income tax act, 1961	741	-	-
Gratuity and leave encashment	30	675	652
Others	477	98	-
<b>Total deferred tax assets</b>	<b>1,312</b>	<b>908</b>	<b>813</b>
Minimum alternative tax credit recoverable	(6,800)	(9,378)	(8,881)
<b>Total deferred tax liabilities (net)</b>	<b>22,499</b>	<b>19,884</b>	<b>16,220</b>

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	As at 31 March 2017	As at 31 March 2016
Profit before tax	32,223	32,107
Income tax expense at tax rates applicable to individual entities	7,548	7,717
Effect of Income taxed at higher/ (lower) rates	(31)	56
Effect of Income taxes relating to prior years	207	(201)
Effect of change in deferred tax balances due to change in tax rates	-	163
Effect of Items not deductible for tax purpose	330	105
Effect of Minimum alternative tax disallowances	-	89
Effect of Minimum alternative tax credit	(52)	-
Others	(108)	(29)
<b>Tax expense as per Statement of profit and loss</b>	<b>7,894</b>	<b>7,900</b>

## 22 Short-term borrowings

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Secured</b>			
Secured from banks	36,517	15,281	16,548
<b>Unsecured</b>			
From others	1,900	1,520	16,025
From related parties (refer note 44)	4,616	422	395
<b>Total</b>	<b>43,033</b>	<b>17,223</b>	<b>32,968</b>

### Secured short term borrowings include:

Cash credit carry an interest rate between 10% - 13% , secured by way of hypothecation of inventories and receivables relating to domestic rights operations on pari passu basis.

Bills discounted carry an interest rate between 10% - 11% for INR bills and LIBOR+3.5% for USD bills , secured by document of title to goods and accepted hundis with first pari passu charge on current assets.

Packing credit carry an interest rate between 10% - 11% for INR and LIBOR + 3.5% for USD, secured by hypothecation of films and film rights with first pari passu charge on current assets.

### Short term borrowings are further secured by:

- Equitable mortgage of company's immovable properties situated at Mumbai, India;
- Amount held in margin money;
- Corporate guarantee of Eros International Plc, the ultimate holding company;
- Residual value of equipments; and
- Existing rights of hindi films with nil book value.

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 explanatory notes to the consolidated financial statements

### 23 Acceptances

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Payable under the film financing arrangements	5,795	5,749	-
<b>Total</b>	<b>5,795</b>	<b>5,749</b>	<b>-</b>

Acceptances comprise of credit availed from financial institutions for payment to film producers for film co-production arrangement entered by the group. The carrying value of acceptances are considered a reasonable approximation of fair value.

### 24 Trade payables

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade payable	14,040	13,589	7,720
Payable to related parties (refer note 44)	15,502	14,580	16,065
<b>Total</b>	<b>29,542</b>	<b>28,169</b>	<b>23,785</b>

### 25 Other financial liabilities

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current maturities of long-term borrowings (refer note 17)	7,201	8,503	6,645
Interest accrued but not due on borrowings	382	122	203
Employee dues	697	181	153
Unclaimed dividend	1	1	1
Other expenses payable	2,605	1,348	-
<b>Total</b>	<b>10,886</b>	<b>10,155</b>	<b>7,002</b>

### 26 Employee benefit obligations

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Gratuity	51	43	35
Compensated absences	167	101	78
<b>Total</b>	<b>218</b>	<b>144</b>	<b>113</b>

### 27 Current tax liabilities (net)

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for corporate taxes (net)	4,400	4,047	1,627
<b>Total</b>	<b>4,400</b>	<b>4,047</b>	<b>1,627</b>

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

### 28 Other current liabilities

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advance from customers- related parties (refer note 44)	18,302	60,490	72,421
Advances from customers- others	1,672	4,994	1,202
Duties and taxes payable	9,438	5,315	2,062
Trade / security deposits	7	7	-
Deferred income	2,810	5,904	184
Others	49	1,723	1,604
<b>Total</b>	<b>32,278</b>	<b>78,433</b>	<b>77,473</b>

Amount ₹ in lakhs

### 29 Revenue from operations

	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from distribution and exhibition of film and other rights	139,916	158,173
Revenue from services	54	95
<b>Total</b>	<b>139,970</b>	<b>158,268</b>

Amount ₹ in lakhs

### 30 Other Income

	Year ended 31 March 2017	Year ended 31 March 2016
Dividend Income*	0	0
Interest income on:		
Bank deposits	212	227
Others	2,246	3,177
Income from export incentives	946	-
Sundry balances written back and bad debts recovered	383	155
Provision written back for expected credit loss	41	-
Other non-operating income	730	743
<b>Total</b>	<b>4,558</b>	<b>4,302</b>

Amount ₹ in lakhs

\*Amount represents less than ₹ one lakh

### 31 Film right costs including amortisation costs

	Year ended 31 March 2017	Year ended 31 March 2016
Film rights cost	33,854	27,861
Amortisation of film rights (refer note 3)	44,630	61,787
<b>Total</b>	<b>78,484</b>	<b>89,648</b>

Amount ₹ in lakhs

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

### 32 Changes in inventories of film rights

Amount ₹ in lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
<b>Inventories at the end of the year of -</b>		
VCD/ DVD/ Audio CDs	38	89
Film Rights	8	251
	<b>46</b>	<b>340</b>
<b>Inventories at the beginning of the year of -</b>		
VCD/ DVD/ Audio CDs	89	203
Film Rights	251	13,488
	<b>340</b>	<b>13,691</b>
<b>Total</b>	<b>294</b>	<b>13,351</b>

### 33 Employee benefits expense

Amount ₹ in lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries and wages	5,109	4,125
Contributions to provident and other funds (refer note 39)	248	247
Employee share based compensation (refer note 40)	1,433	1,096
Gratuity expenses (refer note 39)	112	84
Staff welfare expenses	151	67
<b>Total</b>	<b>7,053</b>	<b>5,619</b>

### 34 Finance costs

Amount ₹ in lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
Interest expenses	5,053	4,928
Other borrowing costs	542	266
Interest on late payment of taxes	1,722	291
	<b>7,317</b>	<b>5,485</b>
Less: Interest expenses capitalised to film rights	(1,657)	(1,949)
Less : Interest income	(208)	(150)
<b>Total</b>	<b>5,452</b>	<b>3,386</b>

### 35 Depreciation and amortisation expenses

Amount ₹ in lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation on property, plants and equipments (refer note 2)	641	723
Amortisation on intangible assets other than film rights (refer note 3)	317	224
<b>Total</b>	<b>958</b>	<b>947</b>

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

### 36 Other expenses

	Amount ₹ in lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
Print and digital distribution costs	2,841	2,557
Selling and distribution expenses	6,509	7,918
Processing and other direct costs	591	699
Shipping, packing and forwarding expenses	198	212
Home entertainment products related costs	64	98
Power and fuel	104	103
Rent	651	849
Repairs and maintenance	201	163
Insurance	24	59
Rates and taxes	140	75
Legal and professional expenses	1,400	1,322
Payments to auditors (refer note 49)	240	159
Provision for doubtful receivables	3,111	259
Provision for doubtful advances	283	-
Communication expenses	110	140
Travelling and conveyance	389	459
Content advance written off	741	426
Advances and deposits written off	294	2
Trade receivables written off	337	886
Impairment loss on goodwill	70	-
Loss on foreign currency transactions and translation (net)	1,021	473
Corporate social responsibility expenses (refer note 51)	31	20
Loss on sale of plant, property and equipment (net)	35	7
Miscellaneous expenses	679	626
<b>Total</b>	<b>20,064</b>	<b>17,512</b>

### 37 Earnings per share

	Year ended 31 March 2017	Year ended 31 March 2016
<b>a) Computation of net profit for the year</b>		
Profit after tax attributable to equity shareholders of Eros International Media Limited (₹ in lakhs)	25,745	23,867
<b>b) Computation of number of shares for Basic Earnings per share</b>		
Weighted average number of equity shares	93,654,393	93,187,916
<b>Total</b>	<b>93,654,393</b>	<b>93,187,916</b>
<b>c) Computation of number of shares for Diluted Earnings per share</b>		
Weighted average number of equity shares	95,336,987	93,968,886
<b>Total</b>	<b>95,336,987</b>	<b>93,968,886</b>
<b>d) Nominal value of shares ( in ₹)</b>	10	10
<b>e) Computation</b>		
Basic ( in ₹)	27.49	25.61
Diluted ( in ₹)	27.00	25.40

## Summary of Significant Accounting Policies

and explanatory notes to the consolidated financial statements

### 38 Contingent liabilities and commitments (to the extent not provided for)

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>(a) Contingent liabilities</b>			
<b>(i) Claims against the Company not acknowledged as debt</b>			
Sales tax claims disputed by the Company	1,573	1,176	1,813
Service tax (refer note 1)	38,863	39,631	19,470
Income tax liability that may arise in respect of matters in appeal	103	134	318
<b>(ii) Guarantees</b>			
Guarantee given in favour of various government authorities	25	25	86
<b>(A)</b>	<b>40,564</b>	<b>40,966</b>	<b>21,687</b>

#### Notes:

1.a During the year ended 31 March 2015, the Company received a show cause notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 15,675 lakhs for the period 1 April 2009 to 31 March 2014 should not be levied on and paid by the Company for service tax arising on temporary transfer of copyright services and other matters.

In connection with the aforementioned matters, on 19 May 2015, the Company received an Order-in-original issued by the Principal Commissioner, Service Tax, wherein the department confirmed the demand of ₹ 15,675 lakhs along with interest and penalty amounting to ₹ 15,675 lakhs resulting into a total demand of ₹ 31,350 lakhs.

On 3 September 2015, the Company filed an appeal against the said order before the authorities. The Company has paid ₹ 1,000 Lakhs under protest. Considering the facts and nature of levies and the ad-interim protection for the period 1 July 2010 to 30 June 2012 granted by the Honorable High Court of Mumbai, the Company expects that the final outcome of this matter will be favourable. Accordingly, based on the assessment made after taking appropriate legal advice, no additional liability has been recorded in the financial statements.

1.b During the year ended 31 March 2017, the Company has received notice for reversal of CENVAT credit for the period 2013-14 to 2015-16 ₹ 187 lakhs and for the period January 16 to March 2017 ₹ 204 lakhs. Further Company also received notice for Non levy of Service tax on Import of Services for the period 2013-14 to 2015-16 for ₹ 70 Lakhs.

1.c During the year ended 31 March 2015, a subsidiary of the Company- Eros International Films Private Limited, received a show cause notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 3,795 lakhs for the period 1 April 2009 to 31 March 2014 should not be levied on and paid by the Company for service tax arising on temporary transfer of copyright services and other matters. In connection with the aforementioned matters, on 4 June 2015, the Company received an Order-in-original issued by the Principal Commissioner, Service Tax, wherein the department confirmed the demand of ₹ 3,795 lakhs along with interest and penalty amounting to ₹ 3,795 lakhs resulting into a total demand of ₹ 7,590 lakhs against which the company has paid ₹ 284 lakhs as Service Tax Pre Deposit CESTAT (09-14)

On 19 March 2015, the Company filed its objections against the said notice before the authorities. Considering the facts and nature of levies and the ad-interim protection for the period 1 July 2010 to 30 June 2012 granted by the Honorable High Court of Mumbai, the Company expects that the final outcome of this matter will be favorable. Accordingly, based on the assessment made after taking appropriate legal advice, no additional liability has been recorded in the financial statements.

1.d On 18 April, 2016, a subsidiary of the Company- Eros International Films Private Limited, received a show cause notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 597 lakhs for the period 1 April 2014 to 31 March 2015 should not be levied on and paid by the Company for service tax arising on temporary transfer of copyright services and other matters.

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

- 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 favourable. Accordingly, based on the assessment made after taking appropriate legal advice, no additional liability has been recorded in the financial statements
- 1.e On 28 February, 2013, a subsidiary of the Company- Universal Power Systems Private Limited (acquired on 1 August, 2015), received a service tax order with reference to the internal audit conducted by the service tax department. Based on the audit conducted, department has demanded tax amounting to ₹ 113 lakhs against which the subsidiary has paid ₹ 20 lakhs. The subsidiary has not made any provision in the books to give effect to this order and filed an appeal against the demand. The subsidiary expects that the final outcome will be favourable. Accordingly, based on the assessment made after appropriate legal advice, ₹ 93 lakhs has been considered as contingent liability and no liability has been recorded in the financial statements.
- 1.f During the year ended 31 March 2017, a subsidiary of the Company- EM Publishing Private Limited has received notice of ₹ 56 Lakhs for the period 2010-11 to 2013-14 for service tax arising on temporary transfer of copyright services. Considering the facts and nature of levies and the ad-interim protection for the period 1 July 2010 to 30 June 2012 granted by the Honorable High Court of Mumbai, the Company expects that the final outcome of this matter will be favorable. Accordingly, based on the assessment made after taking appropriate legal advise, no additional liability has been recorded in the financial statements.
- 2 In addition, the Company is liable to pay service tax on use on temporary transfer of copyright in the period 1 July 2010 to 30 June 2012. The Company filed a writ petition in Mumbai High Court challenging the constitutionality and the legality of this entry and received ad-interim protection and accordingly, no amounts were provided for by the Company for the period 1 April 2011 to 30 June 2012.
- 3 It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.
- 4 From time to time, the Group is involved in legal proceedings arising in the ordinary course of its business, typically intellectual property litigation and infringement claims related to the Group's feature films and other commercial activities, which could cause the Group to incur expenses or prevent the Company from releasing a film. While the resolution of these matters cannot be predicted with certainty, the Group 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 Group does not expect any reimbursements in respect of the above contingent liabilities.

### (b) Commitments

		Amount ₹ in lakhs		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Estimated amount of contracts remaining to be executed on capital account		160,859	134,261	127,285
	(B)	160,859	134,261	127,285
<b>Total</b>	<b>(A+B)</b>	<b>201,423</b>	<b>175,227</b>	<b>148,972</b>

## Summary of Significant Accounting Policies

and explanatory notes to the consolidated financial statements

### 39 Employment benefits

#### a) Gratuity

The following table set out the status of the gratuity plan as required under Indian Accounting Standard (Ind AS) - 19, Employee benefits, and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Amount ₹ in lakhs		
	Year ended 31 March 2017	Year ended 31 March 2016
<b>I Change in projected benefit obligation</b>		
Liability at the beginning of the year	373	249
Interest cost	30	20
Current service cost	82	124
Benefits paid	(11)	(6)
Actuarial loss on obligations	-	(14)
<b>Liability at the end of the year</b>	<b>474</b>	<b>373</b>
Current portion	51	43
Non-current portion	423	330
<b>II Recognised in balance sheet</b>		
Liability at the end of the year	474	373
<b>Amount recognised in balance sheet</b>	<b>474</b>	<b>373</b>
<b>III Expense recognised in Statement of Profit and loss</b>		
Current service cost	82	124
Interest cost #	30	20
<b>Expense recognised in Statement of Profit and loss</b>	<b>112</b>	<b>144</b>
<b>Actuarial (Gains) / losses*</b>		
Arising from changes in experience	(13)	(10)
Arising from changes in financial assumptions	13	(4)
<b>Expense recognised in Statement of Profit and loss</b>	<b>-</b>	<b>(14)</b>

\*Actuarial (gain)/loss of ₹ Nil (31 March 2016: ₹ (14) lakhs) is included in other comprehensive income.

# During the year ended 31 March 2016, the Group acquired Universal Power Systems Private Limited and gratuity expenses prior to 1 August, 2015 has been adjusted against net liabilities assumed aggregating to ₹ 60 lakhs.

<b>IV Assumptions used</b>		
Discount rate	7.52%	8.07%
Long-term rate of compensation increase	10.00%	10.00%
Attrition Rate	2.00%	2.00%
Expected average remaining working life	18.00	18.00

#### V A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

Amount ₹ in lakhs		
	Year ended 31 March 2017	Year ended 31 March 2016
<b>Impact on defined benefit obligation</b>		
Projected benefit obligation on current assumption	474	373
Discount rate		
1.00 % increase	(27.67)	(37.18)
1.00 % decrease	31.62	44.82
Salary growth rate		
1.00 % increase	23.89	23.86
1.00 % decrease	(23.30)	(24.33)
Employee turnover		
1.00 % increase	(3.45)	(1.59)
1.00 % decrease	3.48	1.25



## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

### VI Maturity profile of defined benefit obligation

	Amount ₹ in lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
<b>Year</b>		
Apr 2017- Mar 2018	70	43
Apr 2018- Mar 2019	37	16
Apr 2019- Mar 2020	46	17
Apr 2020 onwards	284	161

#### b) Compensated absences

The Company incurred ₹ 141 lakhs (31 March, 2016: ₹73 lakhs) towards accrual for compensated absences during the year.

#### c) Provident fund

The Company contributed ₹ 232 lakhs (31 March 2016: ₹ 235 lakhs) to the provident fund plan, ₹ 6 lakhs (31 March 2016: ₹ 4 lakhs) to the Employee state insurance plan and ₹ 10 lakhs (31 March 2016: ₹ 8 lakhs) to the National Pension Scheme during the year.

## 40 Employee share-based compensation

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

The expense recognised for employee services received during the year is shown in the following table:

	Amount ₹ in lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
Expense arising from equity-settled share-based payment transactions	1,433	1,096

There were no cancellations or modifications to the awards in 31 March 2017 or 31 March 2016.

### Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	As at 31 March 2017		As at 31 March 2016	
	Number	WAEP*	Number	WAEP*
Outstanding at 1 April	2,196,215	35	1,437,400	52
Granted during the year**	282,227	10	966,009	10
Forfeited during the year	(100,826)	10	(26,274)	10
Exercised during the year	(269,553)	10	(180,920)	39
Outstanding at 31 March	2,108,063	36	2,196,215	35
Exercisable at 31 March	911,854	64	632,566	77
Range of exercise price of outstanding options ( ₹ )	₹ 10-175		₹ 10-175	
Weighted average remaining contractual life of options	4.07 Years		4.08 years	

\*WAEP denotes weighted average exercise price of the option

\*\* During the year Company has granted 235,381 (31 March 2016 NIL) stock options to the employees of subsidiary.

## Summary of Significant Accounting Policies

### and explanatory notes to the consolidated financial statements

Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Date of grant							
	17-Dec-09	12-Aug-10	01-Jul-12	14-Oct-13	12-Nov-14	12-Feb-15	09-Feb-16	10-Feb-17
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility	75.00%	60.00%	44.00%	35.00%	40.11%	37.84%	46.46%	48.66%
Risk free interest rate	6.30%	6.50%	8.36%	8.57%	8.50%	7.74%	7.49%	6.51%
Exercise price	75-175	75-135	75	150	10	10	10	10
Expected life of options granted in years	5.25	5.25	5.50	4.50	As per Table 1.1			4.27

**Table 1.1**

#### Expected life of options granted in years

Option Grant date	09-Feb-16		12-Feb-15		12-Nov-14	
	Old Employees	New Employees	Old Employees	New Employees	Old Employees	New Employees
Year I	3.50	4.50	3.00	3.00	3.50	4.50
Year II	4.50	5.50	3.50	4.00	4.50	5.50
Year III	5.50	6.50	4.00	4.50	5.50	6.50

The expected life of options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may differ from the actual.

## 41 Business combination

On 1 August 2015, the Group acquired 100% of the shares and voting interests in Universal Power Systems Private Limited, trading by the name Techzone ("UPSPL" or "Techzone"). The Group expects that this acquisition will enable it to utilize Techzone's billing integration and distribution across major telecom operators in India and will complement its existing Eros Now service. In accordance with the terms of the agreement between the parties, Group issued 900,970 equity shares to the shareholders of Techzone at an acquisition date fair value of INR 586 per share, calculated on the basis of traded share price of the Company on the date of acquisition.

Acquisition related cost of ₹ 70 lakhs has been included in "other expenses- legal and professional expenses" in Statement of profit and loss.

### Assets acquired and liabilities assumed

Statement showing fair values of the identifiable assets and liabilities of Techzone as at the date of acquisition were:

	Amount ₹ in Lakhs
	Fair Value as on 1 August 2015
Current assets	
- Cash	169
- Trade and other receivables	1,680
- Other current assets	1,433
Non-current assets	
- Property, plant and equipment	373
- Intangible assets	2,370
- Other non-current assets	1,654
<b>Total assets</b>	<b>7,679</b>
Current liabilities	
- Trade and other payables	(922)
- Other current liabilities	(1,213)
Non-current liabilities	
- Long-term borrowings	(1,588)
- Other non-current liabilities	(72)
- Deferred tax liabilities	(733)
<b>Total liabilities</b>	<b>(4,528)</b>
<b>Total identifiable net assets at fair value</b>	<b>3,151</b>
Goodwill arising on acquisition	2,130
<b>Purchase consideration transferred</b>	<b>5,281</b>

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

The acquisition of Techzone contributed ₹ 2,916 lakhs (31 March 2016: ₹ 2,759 lakhs) to the Groups's consolidated revenue and a profit of ₹ 23 lakhs (31 March 2016: loss of ₹ 161 lakhs) for the year/period ended 31 March 2017 and 31 March 2016 respectively.

### 42 Disclosure on Specified Bank Notes (SBNs)

During the year, the Group's had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

	Amount ₹ in lakhs		
	Specified Bank Notes*	Other Denomination Notes	Total
<b>Closing cash in hand as on 8 November 2016</b>	54	4	58
(+) Permitted receipts	-	32	32
(-) Permitted payments	-	(11)	(11)
(-) Amount deposited in Banks	(54)	(6)	(60)
<b>Closing cash in hand as on 30 December 2016</b>	-	19	19

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

### 43 Segment Reporting

#### Description of segment and principal activities

The Company acquires, co-produces and distributes Indian films in multiple formats worldwide. Film content is monitored and strategic decisions around the business operations are made based on the film content, whether it is new release or library. Hence, Management identifies only one operating segment in the business, film content. The Company distributes film content to the Indian population in India and worldwide and to non-Indian consumers who view Indian films that are subtitled or dubbed in local languages. As a result of these distribution activities, the management examines the performance of the business from a geographical market perspective.

	Amount ₹ in lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
<b>Revenue by region of domicile of customer's location</b>		
India	84,640	101,962
United Arab Emirates	43,163	52,770
Rest of the world	12,167	3,536
<b>Total revenue</b>	<b>139,970</b>	<b>158,268</b>

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

	Amount ₹ in lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current assets</b>			
India	226,476	219,260	182,509
United Arab Emirates	18,787	20,890	3,818
Rest of the world	32,611	27,980	38,929
<b>Total non-current assets</b>	<b>277,874</b>	<b>268,130</b>	<b>225,256</b>

# Summary of Significant Accounting Policies

## and explanatory notes to the consolidated financial statements

### 44 Related party disclosures

#### a) Parent entity

Relationship	Name	Country of incorporation
Ultimate holding company	Eros International PLC	Isle of Man
Holding company	Eros Worldwide FZ LLC	Dubai

#### b) Following is the list of entities consolidated under the group:

Relationship	Name	Country of incorporation	Ownership interest		
			31 March 2017	31 March 2016	1 April 2015
	Eros International Films Private Limited *	India	100.00%	99.65%	99.65%
	Copsale Limited	British Virgin of Islands	100.00%	100.00%	100.00%
	Big Screen Entertainment Private Limited	India	64.00%	64.00%	64.00%
	EyeQube Studios Private Limited*	India	100.00%	99.99%	99.99%
	EM Publishing Private Limited*	India	100.00%	99.00%	99.00%
	Eros Animation Private Limited *	India	100.00%	100.00%	100.00%
	Digicine PTE Limited	Singapore	100.00%	100.00%	100.00%
	Colour Yellow Productions Private Limited	India	50.00%	50.00%	50.00%
	Universal Power Systems Private Limited (w.e.f. 01-08-2015)	India	100.00%	100.00%	100.00%
	Ayngaran International Limited (Isle of Man)	Isle of Man	51.00%	51.00%	51.00%
	Ayngaran International UK Limited	United Kingdom	100.00%	100.00%	100.00%
	Ayngaran International Mauritius Limited	Mauritius	100.00%	100.00%	100.00%
	Ayngaran International Media Private Limited	India	100.00%	100.00%	100.00%
	Ayngaran Anak Media Private Limited	India	51.00%	51.00%	51.00%

\*Company has obtained declarations from nominee shareholders stating that Eros International Media Limited is the beneficial owner of the shares held by them in below companies, thereby making below companies wholly owned subsidiaries of Eros International Media Limited:

- >EM Publishing Pvt Ltd
- > Eros Animation PvtLtd
- > Eyeqube Studios Pvt Ltd
- > Eros International Films Pvt Ltd

#### List of 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 Non Independent Director (retired by rotation as on 29 September 2016)  
 Mr. Dinesh Modi -Group Chief Financial Officer (India) (w.e.f. 11 November 2014)  
 Mr. Kamal Jain -Group Chief Financial Officer (India) (up to 30 November 2014)  
 Ms. Dimple Mehta - Vice President - 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's exercise significant influence	Shivam Enterprises
	Eros International Distribution LLP
	Eros Television India Private Limited
Fellow subsidiary company	Eros Digital Private Limited
	Eros International Limited, United Kingdom
	Eros Digital FZ LLC

## Summary of Significant Accounting Policies

and explanatory notes to the consolidated financial statements

### c) i. Transactions during the year with related parties

Amount ₹ in lakhs

	Holding company		Fellow subsidiary company		Key Management Personnel including transactions with relatives of Key Management Personnel		Entities over which Key Management Personnel exercise significant influence		Total	
	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2017	Year ended 31 March 2016
Sale of film rights	38,202	27,077	-	14,873	-	-	-	-	38,202	41,950
Revenue attributable to Eros Digital FZ LLC	-	-	(5,004)	-	-	-	-	-	(5,004)	-
Sale of prints/VCD/DVD	40	54	-	-	-	-	-	-	40	54
Purchase of film rights	-	-	7,360	127	-	-	-	-	7,360	127
Re-imbursement of administrative expense	759	2,823	2,742	451	-	-	-	-	3,501	3,274
Rent expenses	-	-	-	-	552	552	-	-	552	552
Interest income	-	-	41	-	-	-	-	-	41	-
Interest expenses	-	-	46	43	-	-	24	-	70	43
Salary, commission and perquisites* to KMPs	-	-	-	-	916	830	-	-	916	830
Content advances given	-	-	7,609	2,689	-	-	-	-	7,609	2,689
Refund of content advances	-	-	2,689	-	-	-	-	-	2,689	-
Trade advances/ loans taken	14,614	41,147	12,635	1,489	-	-	4,150	-	31,399	42,636
Repayment of advances/ loans	54,008	48,588	12,568	3,716	-	-	10	-	66,586	52,304
Refund of deposits	-	-	-	-	26	28	-	-	26	28

## Summary of Significant Accounting Policies

and explanatory notes to the consolidated financial statements

### c) ii. Transactions with related parties

Amount ₹ in lakhs

	Year ended 31 March 2017	Year ended 31 March 2016
<b>Sale of film rights</b>		
Eros Worldwide FZ LLC	38,202	27,077
Eros International Limited	-	-
Eros Digital FZ LLC	-	14,873
<b>Total</b>	<b>38,202</b>	<b>41,950</b>
Revenue attributable to Eros Digital FZ LLC	(5,004)	-
<b>Sale of prints/VCD/DVD</b>		
Eros Worldwide FZ LLC	40	54
<b>Total</b>	<b>40</b>	<b>54</b>
<b>Purchase of film rights</b>		
Eros International Limited	7,360	127
<b>Total</b>	<b>7,360</b>	<b>127</b>
<b>Re-imbursement of administrative expense</b>		
Eros Worldwide FZ LLC	759	2,823
Eros International Limited	-	57
Eros Digital FZ LLC	2,742	394
<b>Total</b>	<b>3,501</b>	<b>3,274</b>
<b>Rent paid</b>		
Mr. Sunil Lulla	276	276
Mrs. Manjula K Lulla	240	240
Mr. Kishore Lulla	36	36
<b>Total</b>	<b>552</b>	<b>552</b>
<b>Interest received</b>		
Eros International Limited	41	-
<b>Total</b>	<b>41</b>	<b>-</b>
<b>Interest paid</b>		
Eros Digital Private Limited	46	43
Eros Television India Private Limited	24	-
<b>Total</b>	<b>70</b>	<b>43</b>
<b>Salary, commission and perquisites* to KMPs</b>		
<b>Total</b>	<b>916</b>	<b>830</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 ₹ 66 lakhs (Previous year ₹ 57 lakhs) charged to Statement of Profit and loss on account of stock compensation for awards granted.

<b>Content advances given</b>		
Eros International Limited	7,609	2,689
<b>Total</b>	<b>7,609</b>	<b>2,689</b>
<b>Refund of content advances</b>		
Eros International Limited	2,689	-
<b>Total</b>	<b>2,689</b>	<b>-</b>
<b>Trade advances/ loans taken</b>		
Eros Worldwide FZ LLC	14,614	41,147
Eros International Limited	12,635	1,479
Eros Digital Private Limited	-	10
Eros Television India Private Limited	4,150	-
<b>Total</b>	<b>31,399</b>	<b>42,636</b>

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

	Amount ₹ in lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
<b>Repayment of advances/ loans</b>		
Eros Worldwide FZ LLC	54,008	48,588
Eros International Limited	12,558	3,704
Eros Digital Private Limited	10	12
Eros Television India Private Limited	10	-
<b>Total</b>	<b>66,586</b>	<b>52,304</b>
<b>Refund of deposits</b>		
Mr. Sunil Lulla	26	28
<b>Total</b>	<b>26</b>	<b>28</b>

### d) Balances with related parties

	Amount ₹ in lakhs		
	As at 31 March 2017	As at 31 March 2016	As At 1 April 2015
<b>Trade balances due from</b>			
Eros Worldwide FZ LLC	7,835	7,578	9,524
Eros Digital FZ LLC	2,116	-	-
Eros International Limited	88	-	-
<b>Total</b>	<b>10,039</b>	<b>7,578</b>	<b>9,524</b>
<b>Trade balances due to</b>			
Eros Worldwide FZ LLC	13,477	14,366	13,792
Eros International Limited	393	318	2,371
Eros Digital FZ LLC	1,716	-	-
<b>Total</b>	<b>15,586</b>	<b>14,684</b>	<b>16,163</b>
<b>Advances/Loan due to</b>			
Eros Worldwide FZ LLC	18,302	60,490	72,419
Eros International Limited	-	-	2
Eros Digital Private Limited	454	422	395
Eros Television India Private Limited	4,162	-	-
<b>Total</b>	<b>22,918</b>	<b>60,912</b>	<b>72,816</b>
<b>Content advances given to</b>			
Eros International Limited	7,524	2,689	-
<b>Total</b>	<b>7,524</b>	<b>2,689</b>	<b>-</b>
<b>Loans and advances due from</b>			
Eros International Limited	-	91	93
Shivam Enterprises	57	57	57
Eros Television India Private Limited *	0	0	-
<b>Total</b>	<b>57</b>	<b>148</b>	<b>150</b>
* Amount below one lakh			
<b>Security Deposits/Amounts due from KMPs or their relatives</b>			
Mr. Sunil Lulla	336	361	389
Mr. Kishore Lulla	240	240	240
Mrs. Manjula Lulla	75	75	75
Mrs. Krishika Lulla	1	1	3
<b>Total</b>	<b>652</b>	<b>677</b>	<b>707</b>
<b>Amounts due to KMPs or their relatives</b>			



## Summary of Significant Accounting Policies

and explanatory notes to the consolidated financial statements

Amount ₹ in lakhs

	As at 31 March 2017	As at 31 March 2016	As At 1 April 2015
Mr. Sunil Lulla	121	88	30
Mr. Kishore Lulla	43	29	22
Ms. Jyoti Deshpande	12	6	5
Mrs. Manjula Lulla	7	66	45
<b>Total</b>	<b>183</b>	<b>189</b>	<b>102</b>

### Terms and conditions

All outstanding balances are unsecured and repayable in cash.

## 45 Categories of financial assets and financial liabilities

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

Amount in ₹ Lakhs

	Carrying value /Fair value		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Financial assets</b>			
<b>Measured at fair value through profit and loss</b>			
Investments*	0	0	-
	<b>0</b>	<b>0</b>	<b>-</b>
* Amount below one lakh			
<b>Measured at amortised cost</b>			
Loans	6,546	7,246	6,038
Restricted deposits	4,473	1,780	1,475
Other financial assets	1,051	1,063	985
Trade receivables	63,058	40,037	46,608
Cash and cash equivalents	13,417	29,210	15,875
<b>Total</b>	<b>88,545</b>	<b>79,336</b>	<b>70,981</b>
<b>Financial liabilities</b>			
<b>Measured at amortised cost</b>			
Borrowings	57,973	27,882	42,501
Acceptance	5,795	5,749	-
Trade payables	29,626	28,273	23,883
Other financial liabilities	10,887	10,158	7,005
<b>Total</b>	<b>104,281</b>	<b>72,062</b>	<b>73,389</b>

## 46 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based in the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

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

Amount in ₹ Lakhs				
		Carrying value /Fair value		
	As at 31 March 2017	Level 1	Level 2	Level 3
Financial assets				
Measured at fair value through profit and loss				
Investments*	0	0	-	-
	0	0	-	

\* Amount below one lakh

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

Amount in ₹ Lakhs

	As at 31 March 2017
<b>Measured at amortised cost</b>	
Loans	6,546
Restricted deposits	4,473
Other financial assets	1,051
Trade receivables	63,058
Cash and cash equivalents	13,417
<b>Total</b>	<b>88,545</b>
<b>Financial liabilities</b>	
<b>Measured at amortised cost</b>	
Borrowings	57,973
Acceptance	5,795
Trade payables	29,626
Other financial liabilities	10,887
<b>Total</b>	<b>104,281</b>

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

Amount in ₹ Lakhs				
	Carrying value /Fair value			
	As at 31 March 2016	Level 1	Level 2	Level 3
Financial assets				
Measured at fair value through profit and loss				
Investments*	0	0	-	-
	0	0	-	

\* Amount below one lakh

## Summary of Significant Accounting Policies

and explanatory notes to the consolidated financial statements

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

Amount in ₹ Lakhs	
	As at 31 March 2016
<b>Measured at amortised cost</b>	
Loans	7,246
Restricted deposits	1,780
Other financial assets	1,063
Trade receivables	40,037
Cash and cash equivalents	29,210
	<b>79,336</b>
<b>Financial liabilities</b>	
<b>Measured at amortised cost</b>	
Borrowings	27,882
Acceptance	5,749
Trade payables	28,273
Other financial liabilities	10,158
	<b>72,062</b>

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

Amount in ₹ Lakhs	
	As at 1 April 2015
<b>Financial assets</b>	
<b>Measured at amortised cost</b>	
Loans	6,038
Restricted deposits	1,475
Other financial assets	985
Trade receivables	46,608
Cash and cash equivalents	15,875
	<b>70,981</b>
<b>Financial liabilities</b>	
<b>Measured at amortised cost</b>	
Borrowings	42,501
Acceptance	-
Trade payables	23,883
Other financial liabilities	7,005
	<b>73,389</b>

## 47 Financial instruments and Risk management

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

The Group's risk management is coordinated in close cooperation with the board of directors and audit committee meetings.

The Group has established objectives concerning the holding and use of financial instruments.

The underlying basis of these objectives is to manage the financial risks faced by the Group.

Formal policies and guidelines have been set to achieve these objectives. The Group does not enter into speculative arrangements or trade in financial instruments and it is the Group's policy not to enter into complex financial instruments unless there are specific identified risks for which such instruments help mitigate uncertainties.

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

### Management of Capital Risk and Financial Risk

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group monitors capital using a gearing ratio, which is net debt divided by total capital. For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. Net debt is calculated as borrowing (refer note 17,22,23 and 25) less cash and cash equivalents.

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

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Debt	70,969	42,134	49,146
Less: Cash and bank balances	(13,417)	(29,210)	(15,875)
Net debt	57,552	12,924	33,271
Equity	200,440	175,046	142,273
<b>Net debt to equity</b>	<b>28.71%</b>	<b>7.38%</b>	<b>23.39%</b>

Amount ₹ in lakhs

### Financial risk management objectives

Based on the operations of the Group, Management considers that key financial risks that it faces are credit risk, currency risk, liquidity risk and interest rate risk. The objectives under each of these risks are as follows:

- credit risk: minimize the risk of default and concentration.
- currency risk: reduce exposure to foreign exchange movements principally between ₹ and USD.
- liquidity risk: ensure adequate funding to support working capital and future capital expenditure requirements.
- interest rate risk: mitigate risk of significant change in market rates on the cash flow of issued variable rate debt.

### Credit Risk

The Group's credit risk is principally attributable to its trade receivables, loans and bank balances. As a number of the Group's trading activities require third parties to report revenues due to the Group this risk is not limited to the initial agreed sale or advance amounts. The amounts shown within the Balance Sheet in respect of trade receivables and loans are net of allowances for doubtful debts based upon objective evidence that the Group will not be able to collect all amounts due.

Trading credit risk is managed on a customer by customer basis by the use of credit checks on new clients and individual credit limits, where appropriate, together with regular updates on any changes in the trading partner's situation. In a number of cases trading partners will

be required to make advance payments or minimum guarantee payments before delivery of any goods. The Group reviews reports received from third parties and in certain cases as a matter of course reserve the right within the contracts to request an independent third party audit of the revenue reporting.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings as signed by international credit rating agencies.

The Group from time to time will have significant concentration of credit risk in relation to individual theatrical releases, television syndication deals or digital licenses. This risk is mitigated by contractual terms which seek to stagger receipts and/or the release or airing of content. As at 31 March 2017 40% (31 March 2016: 69%; 1 April 2015: 68%) of trade receivables were represented by the top 5 customers, out of which as at 31 March 2017 13% (31 March 2016: 20%; 1 April 2015: 21%) of trade receivables were represented by the related parties. The maximum exposure to credit risk is that shown within the statement of financial position.

As at 31 March 2017, the Group did not hold any material collateral or other credit enhancements to cover its credit risks associated with its financial assets except secured trade receivables.

### Currency Risk

The Group is exposed to foreign exchange risk from foreign currency transactions. As a result it faces both translation and transaction currency risks which are principally mitigated by matching foreign currency revenues and costs wherever possible.

## Summary of Significant Accounting Policies

### and explanatory notes to the consolidated financial statements

The Group has identified that it will need to utilize hedge transactions to mitigate any risks in movements between the US Dollar and the Indian Rupee and has adopted an agreed set of principles that will be used when entering into any such transactions. No such transactions have been entered till date and the Group has managed foreign currency exposure to date by seeking to match foreign currency inflows and outflows as much as possible such as packing credit repayment in USD is matched with remittances from UAE in USD. Details of the foreign

currency borrowings that the Group uses to mitigate risk are shown within Interest Risk disclosures.

As at the Balance Sheet date there were no outstanding forward foreign exchange contracts. The Group adopts a policy of borrowing where appropriate in the local currency as a hedge against translation risk. The table below shows the Group's net foreign currency monetary assets and liabilities position in the main foreign currencies, translated to Indian Rupees (₹) equivalents, as at the year end:

	Net balance receivables / (payables)				
	₹	USD	SGD*	GBP	EUR
As at 31 March 2017	258	10	0	(3)	(1)
As at 31 March 2016	(21,742)	(334)	-	-	(1)
As at 1 April 2015	(19,358)	(298)	-	(1)	-

\*amount represents less than one lakh

The above foreign currency arises when the Group holds monetary assets and liabilities denominated in a currency other than ₹.

A uniform decrease of 10% in exchange rates against all foreign currencies in position as of 31 March 2017 would have decreased in the Group's net profit before tax by approximately ₹ 25 Lakhs (2016: gain of ₹ 2,174 Lakhs and 2015: gain of ₹ 1,936 Lakhs). An equal and opposite impact would be experienced in the event of an increase by a similar percentage.

## 47 Financial instruments and Risk management (continued)

### Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and agreed committed banking facilities. Management of working capital takes account of film release dates and payment terms agreed with customers.

A maturity analysis for financial liabilities is provided below. The amounts disclosed are based on contractual undiscounted cash flows. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates as at 31 March, in each year.

₹ In Lakhs

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
<b>As at 31 March 2017</b>					
Borrowing principal payments	65,332	50,227	10,429	4,676	-
Borrowing interest payments	10,081	7,148	2,500	433	-
Acceptances	5,795	5,795	-	-	-
Trade and other payables	29,627	29,542	85	-	-

₹ In Lakhs

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
<b>As at 31 March 2016</b>					
Borrowing principal payments	36,483	25,786	6,922	3,775	-
Borrowing interest payments	5,613	3,367	1,856	390	-
Acceptances	5,749	5,749	-	-	-
Trade and other payables	28,276	28,169	107	-	-

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

₹ In Lakhs

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
<b>As at 1 April 2015</b>					
Borrowing principal payments	49,146	39,613	7,408	2,125	-
Borrowing interest payments	5,914	4,485	1,245	184	-
Acceptances	-	-	-	-	-
Trade and other payables	23,886	23,785	101	-	-

At 31 March 2017, the Group had facilities available of ₹ 70,990 Lakhs (31 March 2016: ₹ 44,283 Lakhs, 1 April 2015: ₹ 47,323 Lakhs) and had net undrawn amounts of ₹ 1,444 Lakhs (31 March 2016: ₹ 2,250 Lakhs, 31 March 2015: ₹ 152 Lakhs) available.

### Interest rate risk

The Group is exposed to interest rate risk as the Group has borrowed funds at floating interest rates. The risk is managed as the loans are at floating interest rates which is aligned to the market.

A uniform increase of 100 basis in interest rates against all borrowings in position as of 31 March 2017 would have decreased in the Group's net profit before tax by approximately ₹ 213 Lakhs (2016: net profit before tax of ₹ 63 Lakhs and 2015: net profit before tax of ₹ 72 Lakhs). An equal and opposite impact would be experienced in the event of a decrease by a similar basis.

## 48 First time adoption of Indian Accounting Standards (Ind AS)

For all periods, up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2017 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. These are the first Ind-AS financial statements of the Group, wherein the Group has restated its Balance Sheet as at 1 April 2015 and financial statements for the year ended and as at 31 March 2016 also as per Ind-AS.

Consequently, in preparing these Ind AS financial statements, the Group has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below.

### A. Exemptions and Exceptions availed:

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in

the transition from previous GAAP to Ind AS.

#### (a) Deemed Cost

There is no change in the functional currency of the Group and accordingly, the Group has opted para D7 AA and accordingly considered the carrying value of property, plant and equipments and Intangible assets as deemed cost as at transition date.

#### (b) Classification and measurement of Financial Assets

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist on the date of transition to Ind AS.

#### (c) Business Combinations

Ind AS 103 on Business Combinations has not been applied to acquisitions of businesses that occurred before 1 April 2015. Use of this exemption means that assets and liabilities acquired under a business combination and eligible for recognition under Ind AS will be the Indian GAAP carrying values on the acquisition date.

#### (d) Share based options

Ind AS 102 on share-based payment has not been applied to equity instruments in share-based payment transactions that vested before the date of transition to Ind AS.

#### (e) Leases

Appendix C to Ind AS 17 requires the Group to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all relevant arrangements for classification of leases based on facts and circumstances existing at the date of transition to Ind AS.

#### (f) Estimates

Upon an assessment of the estimates made under previous GAAP, the Group has concluded that there was no necessity to revise such estimates under Ind AS except as a part of transition where following estimates were required by Ind AS and not required by Indian GAAP Impairment of financial assets based on expected credit loss model.

## Summary of Significant Accounting Policies

and explanatory notes to the consolidated financial statements

### B. Reconciliation of between as per Indian GAAP and Ind-AS.

#### (i) Reconciliation of balance sheet as at 1 April 2015 as per Indian GAAP and Ind-AS.

Amount ₹ in lakhs

	Notes	As per Indian GAAP #	Adjustments	As per Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		4,130	-	4,130
a) Content advances		99,406	-	99,406
b) Film rights		117,249	-	117,249
c) Others intangible assets		34	-	34
d) Intangible assets under development		2,405	-	2,405
Financial assets				
a) Loans		1,449	-	1,449
b) Restricted deposits		382	-	382
c) Other financial assets		841	-	841
Other non-current assets	(i)	11,515	(8,881)	2,634
<b>Total non-current assets</b>		<b>237,411</b>	<b>(8,881)</b>	<b>228,530</b>
<b>Current assets</b>				
Inventories		13,691	-	13,691
Financial assets				
a) Trade and other receivables	(ii)	53,273	(6,665)	46,608
b) Cash and cash equivalents		15,875	-	15,875
c) Restricted deposits		1,093	-	1,093
d) Loans		4,589	-	4,589
e) Other financial assets		144	-	144
Other current assets		786	-	786
<b>Total current assets</b>		<b>89,451</b>	<b>(6,665)</b>	<b>82,786</b>
<b>Total assets</b>		<b>326,862</b>	<b>(15,546)</b>	<b>311,316</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		9,250	-	9,250
Other equity	C	138,971	(6,068)	132,903
<b>Total shareholder's funds</b>		<b>148,221</b>	<b>(6,068)</b>	<b>142,153</b>
<b>Non-controlling interest</b>		<b>120</b>	<b>-</b>	<b>120</b>
<b>Total Equity</b>		<b>148,341</b>	<b>(6,068)</b>	<b>142,273</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
a) Borrowings		9,533	-	9,533
b) Trade payables		98	-	98
c) Other financial liabilities		3	-	3
Employee benefit obligations (net)		221	-	221
Deferred tax liabilities (net)	(i) and (vii)	25,698	(9,478)	16,220
Other non-current liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>35,553</b>	<b>(9,478)</b>	<b>26,075</b>
<b>Current liabilities</b>				
Financial liabilities				
a) Short term borrowings		32,968	-	32,968
b) Acceptances		-	-	-
c) Trade payables		23,785	-	23,785
d) Other financial liabilities		7,002	-	7,002
Employee benefit obligations		113	-	113
Current tax liabilities		1,627	-	1,627
Other current liabilities		77,473	-	77,473
<b>Total current liabilities</b>		<b>142,968</b>	<b>-</b>	<b>142,968</b>
<b>Total liabilities</b>		<b>178,521</b>	<b>(9,478)</b>	<b>169,043</b>
<b>Total equity and liabilities</b>		<b>326,862</b>	<b>(15,546)</b>	<b>311,316</b>

# The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.



## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

### (ii) Reconciliation of balance sheet as at 31 March 2016 as per Indian GAAP and Ind-AS.

	Notes	As per Indian GAAP #	Adjustments	Amount ₹ in lakhs As per Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		4,440	-	4,440
a) Content advances		130,448	-	130,448
b) Film rights		122,105	-	122,105
c) Others intangible assets	(iv)	38	2,168	2,206
d) Intangible assets under development		2,803	-	2,803
e) Goodwill	(iv)	1,900	230	2,130
Financial assets				
a) Loans		1,789	-	1,789
b) Restricted deposits		574	-	574
c) Other financial assets		835	-	835
Other non-current assets	(i)	15,173	(9,378)	5,795
<b>Total non-current assets</b>		<b>280,105</b>	<b>(6,980)</b>	<b>273,125</b>
<b>Current assets</b>				
Inventories		340	-	340
Financial assets				
a) Investments*		0	-	0
b) Trade and other receivables	(ii)	45,104	(5,067)	40,037
c) Cash and cash equivalents		29,210	-	29,210
d) Restricted deposits		1,206	-	1,206
e) Loans		5,457	-	5,457
f) Other financial assets		228	-	228
Other current assets		470	-	470
<b>Total current assets</b>		<b>82,015</b>	<b>(5,067)</b>	<b>76,948</b>
<b>Total assets</b>		<b>362,120</b>	<b>(12,047)</b>	<b>350,073</b>
* amount below one lakh				
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		9,358	-	9,358
Other equity	C	167,424	(2,214)	165,210
<b>Total shareholder's funds</b>		<b>176,782</b>	<b>(2,214)</b>	<b>174,568</b>
Non-controlling interests		1,147	(669)	478
<b>Total equity</b>		<b>177,929</b>	<b>(2,883)</b>	<b>175,046</b>
<b>Non-current liabilities</b>				
Financial liabilities				
a) Borrowings		10,659	-	10,659
b) Trade payables		104	-	104
c) Other financial liabilities		3	-	3
Employee benefit obligations		355	-	355
Deferred tax liabilities	(i) and (vii)	29,048	(9,164)	19,884
Other non-current liabilities		102	-	102
<b>Total Non-Current Liabilities</b>		<b>40,271</b>	<b>(9,164)</b>	<b>31,107</b>
<b>Current Liabilities</b>				
Financial Liabilities				
a) Short term borrowings		17,223	-	17,223
b) Acceptances		5,749	-	5,749
c) Trade payables		28,169	-	28,169
d) Other financial liabilities		10,155	-	10,155
Employee benefit obligations		144	-	144
Current tax liabilities		4,047	-	4,047
Other current liabilities		78,433	-	78,433
<b>Total current liabilities</b>		<b>143,920</b>	<b>-</b>	<b>143,920</b>
<b>Total liabilities</b>		<b>184,191</b>	<b>(9,164)</b>	<b>175,027</b>
<b>Total equity and liabilities</b>		<b>362,120</b>	<b>(12,047)</b>	<b>350,073</b>

# The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

## Summary of Significant Accounting Policies

and explanatory notes to the consolidated financial statements

### (iii) Reconciliation of statement of profit and loss for the year ended 31 March 2016 as per Indian GAAP and Ind-AS.

Amount in ₹ lakhs

	Notes	As per Indian GAAP #	Reclassifications	Adjustments	As per Ind AS
<b>Revenue</b>					
Revenue from operations		158,268	-	-	158,268
Other income	(ii)	2,087	-	2,215	4,302
<b>Total revenue</b>		<b>160,355</b>	<b>-</b>	<b>2,215</b>	<b>162,570</b>
<b>Expenses</b>					
Film right costs including amortisation costs		101,132	(11,484)	-	89,648
Changes in inventories of film rights		13,351	-	-	13,351
Employee benefits expense	(iii) and (v)	5,571	-	48	5,619
Finance costs		3,386	-	-	3,386
Depreciation and amortisation expense	(iv)	746	-	201	947
Other expenses		5,809	11,484	219	17,512
<b>Total expenses</b>		<b>129,995</b>	<b>-</b>	<b>468</b>	<b>130,463</b>
<b>Profit before tax</b>		<b>30,360</b>	<b>-</b>	<b>1,747</b>	<b>32,107</b>
<b>Tax expense</b>					
Current tax		5,080	-	(10)	5,070
Deferred tax		3,408	-	2	3,410
Minimum alternate tax credit		(497)	-	-	(497)
Short/(excess) provision for tax of earlier years		(83)	-	-	(83)
		<b>7,908</b>	<b>-</b>	<b>(8)</b>	<b>7,900</b>
<b>Profit for the year (after tax)</b>		<b>22,452</b>	<b>-</b>	<b>1,755</b>	<b>24,207</b>
<b>Attributable to:</b>					
Equity holders of Eros International Media Limited		21,415	-	2,452	23,867
Non-controlling interests		1,037	-	(697)	340
<b>Other comprehensive income</b>					
<b>(i) Items that will not be reclassified to profit or loss</b>					
Remeasurement gain on defined benefit plan	(v)	-	-	14	14
Income tax effect	(v)	-	-	(2)	(2)
<b>(i) Items that will be reclassified subsequently to profit or loss</b>					
Exchange differences on translating foreign operations	(v)	-	-	2,106	2,106
<b>Total Comprehensive Income for the year</b>		<b>22,452</b>	<b>-</b>	<b>3,873</b>	<b>26,325</b>

# The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

### (iv) Reconciliation of equity as at 31 March 2016 and 1 April 2015

Amount ₹ in lakhs

	Notes	31 March 2016	1 April 2015
<b>Total equity (shareholders' funds) under Indian GAAP</b>		177,929	148,341
<b>Add/(Less): Adjustments for GAAP differences</b>			
Increase in employee stock option outstanding due to fair value		35	-
Decrease in retained earning due to employee stock option fair value		(35)	-
Actuarial gain recorded as other comprehensive income		(13)	-
Tax impact of actuarial gain		(1)	-
Gratuity expenses		14	-
Amortisation expenses on assets recognized towards acquisition of Universal Power Systems Private Limited		(201)	-
Adjustment on account of Ind AS transition for expected credit loss		(4,673)	(6,669)
Adjustment on account of movement in Currency translation reserve		(398)	-
Tax adjustments including income tax impact on above, as applicable		609	601
Fair value impact of equity shares issued towards acquisition of subsidiary		1,780	-
<b>Total equity (shareholders' funds) under Ind AS</b>		<b>175,046</b>	<b>142,273</b>

## Summary of Significant Accounting Policies and explanatory notes to the consolidated financial statements

### (v) Reconciliation of total comprehensive income for the year ended 31 March 2016

	Notes	Amount ₹ in lakhs 31 March 2016
<b>Profit after tax for the year</b>		22,452
Impact of recognising the cost of employee stock option scheme at fair value		(35)
Amortisation of Intangible assets		(201)
Tax adjustments including income tax impact on above, as applicable		8
Impact of recognising estimated credit loss		1996
Others		(13)
Other comprehensive income (net of tax)		2118
<b>Net profit after tax for the year before other comprehensive income</b>		<b>26,325</b>

### C Notes to first time adoption of Ind AS:

#### (i) MAT credit

Under Previous GAAP, MAT credit was disclosed under non-current assets. In accordance with Ind AS 12, deferred tax asset shall include any carry forward unused tax credits. Hence, MAT credit entitlement has been included in deferred tax liabilities.

#### (ii) Expected credit loss

Under Indian GAAP allowances of doubtful debt was provided as per management estimate whereas under Ind AS allowances are based on expected credit loss model as per Ind - AS 109 - Financial Instruments.

#### (iii) ESOP accounting

Under Ind-AS, it is measured using grant date fair value whereas under Indian GAAP, ESOP liability was accounted for at intrinsic value.

#### (iv) Equity settled business combination

Under Ind-AS, the same has been accounted for at fair value of equity shares on the acquisition date as per Ind-AS 103 - Business Combinations whereas under Indian GAAP, the acquisition of a subsidiary by issuing equity shares to the transferor was accounted for at fair value of those equity shares on the date of agreement.

#### (v) Other comprehensive income (OCI)

Ind-AS requires preparation of Statement of Other Comprehensive Income in addition to Statement of profit and loss. Re-Measurement gain/loss on defined benefit plans earlier accounted for in statement of profit and loss under Indian GAAP has been reclassified to OCI as required by Ind-AS 19 - Employee Benefits. The exchange differences arising from the retranslation

of the foreign operations are recognized in other comprehensive income and taken to the "currency translation reserve" in equity.

#### (vi) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings were disclosed as prepaid expenses and charged to statement of profit and loss on a systematic basis. Under Ind AS, borrowings are recorded initially at fair value less transaction costs and are subsequently measured at amortised cost as per the Effective Interest Rate (EIR) method.

#### (vii) Deferred tax

Deferred tax under Ind AS has been recognized for temporary differences between tax base and the book base of the relevant assets and liabilities. Under IGAAP the deferred tax was accounted based on timing differences impacting the profit or loss for the period. Deferred tax on aforesaid Ind AS adjustments has been created for both periods - as on 31 March 2016 and 1 April 2015.

#### (viii) Effect of Ind AS adoption on Statement of cash flow

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31 March 2016 as compared with the Indian GAAP.

#### (ix) Retained earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

## Summary of Significant Accounting Policies

### and explanatory notes to the consolidated financial statements

Amount in ₹ Lakhs		
	Year ended 31 March 2017	Year ended 31 March 2016
As auditor		
Statutory audit (including IFCOFR)	154	108
Limited review	44	13
Tax audit	12	14
	<b>210</b>	<b>135</b>
In other capacity		
Other services (certification fees)	12	15
	<b>12</b>	<b>15</b>
Reimbursement of expenses	18	9
<b>Total</b>	<b>240</b>	<b>159</b>

**50** Based on the information available with the Group, 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 Group.

**51** As per the provision of the Act, a Corporate Social Responsibility (CSR) committee has been formed by the Group. CSR objects chosen by the Group 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 Group is ₹ 427 lakh (31 March 2016 ₹ 374 lakh), of which ₹ 31 lakhs (previous year ₹ 20 lakh) have been spent during the current year.

### 52 Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2017 and the date of authorisation of these consolidated financial statements.

### 53 Authorisation of consolidated financial statements

The consolidated financial statement for the year ended 31 March 2017 (including comparatives) were approved by the board of directors on 26 May 2017.

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Adi P. Sethna**

Partner

Membership No: 108840

Place: Mumbai

Date : 26 May 2017

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

**Sunil Lulla**

Executive Vice Chairman and Managing Director (DIN: 00243191)

**Dinesh Modi**

Group Chief Financial Officer (India)

Place: New Delhi

Date : 26 May 2017

**Jyoti Deshpande**

Executive Director (DIN: 02303283)

**Dimple Mehta**

Vice President - Company Secretary and Compliance Officer

## NOTICE

**Registered Office:** 201, Kailash Plaza, Plot No. A-12, Opp. Laxmi Industrial Estate, Off. Andheri Link Road, Andheri West, Mumbai - 400 053

**Corporate Office:** 901/ 902, Supreme Chambers, Off. Veera Desai Road, Andheri West, Mumbai - 400 053

Phone: +91 22 66021500, Fax: +91 22 66021540 E-mail: [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 23<sup>rd</sup> Annual General Meeting (AGM) of the Members of Eros International Media Limited will be held on Thursday, the 28<sup>th</sup> day of September 2017 at 2.30 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 2017, 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 2017, together with the Report of the Auditors thereon.

**2. To appoint a Director in place of Mr. Kishore Lulla (DIN 02303295), who retires by rotation, and being eligible, offers himself for re-appointment.**

**3. To appoint the Statutory Auditors of the Company and fix their remuneration.**

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 other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendations of the Audit Committee, M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W), be appointed as Auditors of the Company, in place of retiring auditors M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), to hold office from the conclusion of this 23<sup>rd</sup> Annual General Meeting (AGM) until the conclusion of the 28<sup>th</sup> AGM, to be held in the year 2022 (subject to ratification of their appointment by members at every AGM, if so required by the Act), at such remuneration plus applicable tax, out of pocket expenses etc., as may be mutually agreed by the Audit Committee and the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS:

**4. Payment of remuneration to Mr. Kishore Lulla (DIN 02303295) on his re-appointment as Executive Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT,** pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Rules") and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or any amendment(s) thereto, or any substitution(s) or any re-enactment(s) made thereof, for the time being in force) and in terms of recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors at their respective meeting held on 26 May 2017 and subject to such approvals, permissions and sanctions as may be required, the consent of the members of the Company be and is hereby accorded for appointment of Mr. Kishore Lulla (DIN 02303295), as the Executive Director of the Company for a period of five (5) years w.e.f. 1 November, 2017 to 31 October, 2022 and payment of remuneration in the manner as set out below:

#### Terms of Remuneration:-

- i. Basic / Base Salary:- ₹ 11,00,000 /- (Rupees Eleven Lacs only) per month, with an Annual increment of 10% on salary, payable at the commencement of every Financial Year.
- ii. Commission:- Commission upto 1% of the 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. In addition to Item No. i, ii and iii as stated above, Mr. Kishore Lulla shall be entitled for the following 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.

## Notice (contd.)

- c. Medical Allowance: All expenses on medical including hospitalization, 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."

**"RESOLVED FURTHER THAT,** notwithstanding anything contained herein, where in any financial year during the aforesaid period, the Company has no profits or its profits are inadequate, the above remuneration shall be paid as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as aforesaid."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution and to do all such other acts, deeds, matters and things as may be proper, expedient or incidental thereto."

### 5. To approve Eros International Media Limited - Employee Stock Options Scheme 2017 and grant of stock options to the Employees of the Company under the said Scheme

To consider, review 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 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereto ("the Act"), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force); and in accordance with the Memorandum and Articles of Association of the Company, the Listing Agreements with the Stock Exchanges in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Securities and Exchange Board of India (Share Based

Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations") and such other applicable regulations which may be issued and/or amended by the Securities and Exchange Board of India (SEBI) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions; the consent of the Company be and is hereby authorized to formulate an Employee Stock Option Scheme 2017 named as Eros International Media Limited - Employee Stock Option Scheme 2017 ("EROS ESOS 2017" or the "Scheme"), on the broad terms and conditions as set out in the Explanatory Statement or other terms and conditions as may be decided by the Board (which shall include the Nomination and Remuneration Committee of the Board), to enable the grant of options, issue and allotment from time to time, in one or more tranches, not exceeding 5% of the Company's paid-up equity capital as on the date of passing this resolution for the benefit of such person(s) who are in permanent employment of the Company, in India or out of India including any Director thereof, whether whole time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as may be decided by the Board under EROS ESOS 2017, at such price(s) and on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of EROS ESOS 2017."

**"RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional Equity Shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling on the number of options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional Equity Shares issued."

**"RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be allotted and the price of acquisition payable by the option grantees under EROS ESOS 2017 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- (Rupees Ten Only) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

## Notice (contd.)

**“RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to EROS ESOS 2017.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall include the Nomination and Remuneration Committee or such other committee as may be formulated from time to time) be and is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the EROS ESOS 2017 and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company AND THAT the Board be and is hereby authorized to take requisite steps for listing of the Equity Shares allotted under EROS ESOS 2017 on the Stock Exchanges where the Equity Shares of the Company are listed.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate EROS ESOS 2017 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of EROS ESOS 2017 and do all other things incidental to and ancillary thereof.”

**“RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including authorizing the Board to appoint advisors, consultants or representatives, being incidental to the effective implementation and administration of EROS ESOS 2017 as also to make applications to the appropriate authorities, for their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.”

**6. To approve the grant of Stock options to the eligible employees of the Company's Subsidiaries and Holding Company under the Eros International Media Limited Employee Stock Option Scheme 2017**

To consider, review and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT,** pursuant to Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Shareholders be and is hereby accorded to extend the benefits of Eros International Media Limited - Employees Stock Option Scheme 2017 (hereinafter referred to as ‘EROS ESOS 2017’) (subject to shareholders approval on Item No. 5 above) to the present and future, permanent employees of the Holding company and subsidiary Company(ies) of the Company in India or outside and to the present and future Director(s), whether Whole-time Director or not, but excluding Independent Directors, if any, from time to time as contained in the Scheme, on such terms and conditions, as set out in the Scheme and summarized in the Explanatory Statement.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate EROS ESOS 2017 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of EROS ESOS 2017 and do all other things incidental to and ancillary thereof.”

**“RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including authorizing the Board to appoint advisors, consultants or representatives, being incidental to the effective implementation and administration of EROS ESOS 2017 as also to make applications to the appropriate authorities, for their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.”

By Order of the Board of Directors  
For **Eros International Media Limited**

**Dimple Mehta**

Vice-President - Company Secretary &  
Compliance Officer

Place : New Delhi  
Date : 26 May, 2017



## Notice (contd.)

### 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 a proxy and such person shall not act as proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/authority, as applicable.
2. The instrument appointing the proxy (as per the format provided with), in order to be effective, should be duly stamped, completed and signed and deposited at the Corporate Office of the Company not less than 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. The 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 Thursday, 21 September 2017 till Thursday, 28 September 2017 (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. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or M/s. Link Intime India Private Limited, Registrar & Transfer Agent of the Company, for assistance in this regard.
11. 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 between 11:00 a.m. to 1:00 p.m. upto the date of the Annual General Meeting. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and the Register of Contracts and Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
12. Every Member entitled to vote at the AGM of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty four (24) hours before the time fixed for the commencement of the AGM. However, a prior notice of not less than three (3) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.
13. The Company has designated an exclusive E-mail 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 E-mail ID.
14. Members who are yet to encash their earlier dividend warrants for the interim dividend in FY 2012-13 are requested to contact the office of the Company Secretary /M/s. Link Intime Private Limited, Registrar and Transfer Agent (RTA) of the Company for revalidation of the dividend warrants/issue of fresh demand drafts. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29 September, 2016 (date of the last Annual General Meeting) on the website of the

## Notice (contd.)

Company [www.erosintl.com](http://www.erosintl.com) and also on the website of the Ministry of Corporate Affairs.

15. Members are requested to bring their Attendance Slip alongwith copy of the Annual Report to the Annual General Meeting.
16. Members who wish to obtain any information on the Company or view the financial statements for the Financial Year ended 31 March 2017 may visit the Company's website at [www.erosintl.com](http://www.erosintl.com) or send their queries to the Company Secretary at the Corporate Office of the Company atleast ten (10) days before the AGM.
17. In terms of the applicable provisions of the Companies Act, 2013 and rules thereto, the Company has obtained E-mail addresses of its Members and have given an advance opportunity to every Member to register their E-mail address and changes therein from time to time with the Company for service of communications /documents (including Notice of General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report and all other documents) through electronic mode.
18. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

Although 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. E-mail 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 to the Company at [compliance.officer@erosintl.com](mailto:compliance.officer@erosintl.com)
  - ii. Written communication: By sending written communication addressed to the Company Secretary and Compliance Officer at the Corporate Office of the Company or to the Registrar and Transfer Agent of the Company at M/s. Link Intime India Private Limited, Unit – Eros International Media Limited, C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083.
19. Details as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2), in respect of the

Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the Notice. The Director have furnished the requisite declarations for his re-appointment.

20. Electronic copy of the Notice convening the 23<sup>rd</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 E-mail addresses, physical copies of the Notice convening the 23<sup>rd</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 sent in the permitted mode.
21. Members may also note that the Notice convening the 23<sup>rd</sup> Annual General Meeting and the Annual Report 2017 will also be available on the Company's website at [www.erosintl.com](http://www.erosintl.com) and on the website of National Securities Depository Limited (NSDL) [www.evoting.nsdl.com](http://www.evoting.nsdl.com) for download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send request to [compliance.officer@erosintl.com](mailto:compliance.officer@erosintl.com)
22. The Certificate from Statutory Auditors of the Company certifying that the Company's employee stock options scheme is being implemented in accordance with the SEBI (SBEB) Regulations, 2014, as amended, will be available for inspection at the AGM.
23. The route map showing directions to reach the venue of the 23<sup>rd</sup> AGM is annexed.

### 24. Voting

- i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their votes either for or against each resolutions set forth in the Notice of the AGM using electronic voting system from a place other than the venue of the AGM ('remote e-voting'), provided by National Securities Depository Limited ("NSDL") and the business may be transacted through such voting.

## Notice (contd.)

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Sunday, 24 September, 2017 (9.00 a.m.) and ends on Wednesday, 27 September, 2017 (5.00 p.m.). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 21 September 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an E-mail from NSDL [for members whose E-mail IDs are registered with the Company/Depository Participants(s)]:
    - i. Open E-mail and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.
    - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - iii. Click on Shareholder – Login
    - iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - vii. Select "EVEN" of "Eros International Media Limited".
    - viii. Now you are ready for remote e-voting as Cast Vote page opens.
    - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
    - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
    - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [omkardindorkar@mmjc.in](mailto:omkardindorkar@mmjc.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
    - (i) Initial password is provided at the bottom of the Attendance Slip: EVEN (E-voting Event Number) + USER ID and PASSWORD
    - (ii) Please follow all steps from Sl. No. ii to Sl. No. xii above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free No.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

## Notice (contd.)

**NOTE:**

Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DP ID+Client ID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No.+Folio No.).

- VIII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Thursday, 21 September 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, 21 September 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- XI. 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.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Makarand Joshi, Practicing Company Secretary, (Membership No. 5533, COP: 3662) partner of M/s. Makarand M. Joshi & Co. has been appointed as the Scrutinizer for providing facility to the members

of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- XIV. 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.
- XV. The Scrutinizer shall immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of atleast two (2) witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizers Report of the total votes cast in favour of or against, if any, and the results of the voting shall be declared not later than 48 hours from the conclusion of the AGM of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.erosintl.com](http://www.erosintl.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited. The result will also be displayed on the Notice Board of the Company at its Corporate office and Registered Office.
- Notes and instructions for voting through Ballot Paper**
- 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.
  - 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.
  - The Member need not use all the votes nor needs to cast all the votes in the same way.
  - Members can download the Ballot Paper from the link [www.erosintl.com](http://www.erosintl.com) or seek a duplicate Ballot Paper from Link Intime India Private Limited, the Registrar and Transfer Agent from their office at C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400 083, fill in the details and send the same to the Scrutinizer.

## Notice (contd.)

- v. Kindly note that the Members can opt only one mode of voting i.e. either by Ballot Paper or e-voting. If you are opting for e-voting, then do not vote by Ballot Paper and vice versa. However, in case a Member has voted both in Ballot Paper as well as e-voting, then voting done through e-voting shall prevail and voting done through Ballot Paper will be treated as invalid.
- vi. You are requested to carefully read the instructions printed on the Ballot Paper and return the paper duly completed, in the enclosed self-addressed postage prepaid envelope, so as to reach the Scrutinizer at C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400 083 on or before the close of working hours (5.00 p.m.) on Wednesday, 27 September 2017. No other request/details furnished in the Self Addressed envelope will be entertained.
- vii. The Ballot Papers received after close of working hours (5.00 p.m.), Wednesday, 27 September 2017 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**

**Dimple Mehta**  
Vice-President - Company Secretary &  
Compliance Officer

Place : New Delhi

Date : 26 May, 2017

Accordingly, the term of the existing Statutory Auditors, M/s. Walker Chandiok & Co LLP, Chartered Accountants, (Firm Registration No.001076N/N500013) is coming to end. The Board of Directors have recommended appointment of M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W), as the Statutory Auditors of the Company in place of M/s. Walker Chandiok & Co. LLP, Chartered Accountants, existing Statutory Auditors of the Company, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the Twenty Eight (28<sup>th</sup>) Annual General Meeting.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 3 of the Notice.

The Board recommends the resolution set forth in Item No. 3 of the Notice for approval of the members.

### Item No. 4:

The Board of Directors of the Company at its meeting held on 26 May 2017 has subject to the approval of members, re-appointed Mr. Kishore Lulla (DIN 02303295), as Executive Director of the Company for another period of five (5) years commencing from 1 November, 2017 till 31 October, 2022 on terms including remuneration as recommended and approved by the Nomination and Remuneration Committee.

Brief profile of Mr. Kishore Lulla alongwith other details as stipulated in the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meeting (SS - 2) are stated at length below:

## EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 6 of the accompanying Notice:

### Item No. 3:

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

As per the provisions of Companies Act, 2013 read with rules made thereunder, no listed Company shall appoint an audit firm as auditor for more than two consecutive terms of five years each and an audit firm which has completed its term shall not be eligible for reappointment as auditor in the same company.

Every listed Company existing on or before the commencement of Companies Act, 2013 (i.e. 1 April 2014) shall comply with the provisions of Companies Act, 2013 within three years.

## Notice (contd.)

Name	Mr. Kishore Lulla
DIN	02303295
Designation	Executive Director
Date of Birth	04 September 1961
Age	55 Years
Date of Appointment	28 September 2009
Qualifications	Bachelor of Arts, University of Mumbai
Profile	<p>Mr. Kishore Lulla received a bachelor's degree in Arts from Mumbai University. He has over 30 years of experience in the filmed entertainment and media industry. He is a member of the British Academy of Film and Television Arts and Young Presidents' Organization and also a board member for the School of Film at the University of California, Los Angeles. He has been honored at the Asian Business Awards 2007 and the Indian Film Academy Awards 2007 for his contribution in taking Indian cinema global. In 2010, Mr. Lulla was awarded the Entrepreneur of the Year at the GG2 Leadership &amp; Diversity Awards. In 2014, Forbes Asia featured Mr. Kishore Lulla on the list of Best under a Billion. He was also honoured with the 2014 Global Citizenship Award by the American Jewish Committee, a leading global Jewish advocacy organization. Mr. Lulla also received the Entertainment Visionary award at the 2015 Annual Gala Dinner from the Asia Society of Southern California. In 2015, he was further invited to attend the "billionaires' summer camp" in Sun Valley, an annual gathering of the world's most powerful entrepreneurs and business executives.</p> <p>Mr. Kishore Lulla has been instrumental in expanding the Company's presence in the United Kingdom, the U.S., Dubai, Australia, Fiji and other international markets. He is responsible for taking the Indian film industry to the global level.</p> <p>On 25 September 2014, Mr. Kishore Lulla was re-appointed by the members of the Company at the remuneration of ₹ 800,000/- (Eight Lakhs) per month and on other such terms and condition as approved by the members of the Company.</p>
Directorships held in other companies	<ul style="list-style-type: none"> <li>• Eros International PLC (IOM)</li> <li>• Eros International Ltd. (UK)</li> <li>• Eros Network Ltd. (UK)</li> <li>• Eros International USA Inc</li> <li>• Eros Australia Pty Ltd.</li> <li>• Eros Films Limited (IOM)</li> <li>• Eros Digital Limited (IOM)</li> </ul>
Memberships/Chairmanships of Committees of other companies	Nil
Number of shares held in the Company	Nil
Number of Stock Options	Nil
Number of Board Meetings attended during the year	Mr. Kishore Lulla attended 3 Board Meetings of the Company out of 5 Board Meetings held during the FY 2016-2017

It is proposed to seek approval of the members for re-appointment of Mr. Kishore Lulla as Executive Director 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:-

- Basic/Base Salary:- ₹ 11,00,000/- (Rupees Eleven Lacs only) per month, with an Annual increment of 10% on salary, payable at the commencement of every Financial Year.
- Commission:- Commission upto 1% of the 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.

- Company's contribution to the Provident Fund and Super Annuation Fund and payment of Gratuity shall be as per rules of the Company.

- In addition to Item No. i, ii and iii as stated above, Mr. Kishore Lulla shall be entitled for the following Benefits, Perquisites and Allowances.

- Travelling Allowance: The Company shall bear all the travelling expenses, including boarding and lodging, as per the rules of the Company during domestic and overseas business trips.
- Accommodation Allowance: Rent-free furnished accommodation owned, leased or rented by the Company and reimbursement of utility expenses



## Notice (contd.)

at accommodation such as electricity, gas, water, payments to servants, etc.

- c. Medical Allowance: All expenses on medical including hospitalization, 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.

Mr. Kishore Lulla 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 his re-appointment. He 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 Mr. Kishore Lulla, shall be the minimum remuneration payable to him in terms of the provisions of Schedule V of the Companies Act, 2013.

Mr. Kishore Lulla is interested in the resolution set out in Item No. 4 of the Notice pertaining to his re-appointment as Executive Director 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. Kishore Lulla may be deemed to be interested in the resolution set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Except for Mr. Kishore Lulla himself, Mr. Sunil Lulla, being brother of Mr. Kishore Lulla, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in Item No. 4 above.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

### Item Nos. 5 & 6:

Stock option is an effective instrument to align the interests of employees with those of the company. The Company believes that this provides an opportunity to employees to participate in the growth of the Company, besides creating long-term wealth in their hands. "Employee Stock Option Scheme", being a reward system for employees, help the companies to attract, retain and motivate the best available talent in the increasingly competitive environment.

With the above objectives in mind the Board of Directors of the Company, at their meeting held on 26 May 2017, have approved the broad framework of Employee Stock Option Scheme for the Company which is in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") and has proposed to the shareholders to approve the new Eros International Media Limited - Employee Stock Option Scheme 2017 (hereinafter referred to as "the EROS ESOS 2017" / "ESOS Scheme") for the benefit of eligible employees of the Company and employees of the existing and future subsidiary & holding companies and such other persons (including directors but not Independent Directors or any persons belonging to promoter or promoters group) as may be permitted from time to time, under prevailing laws, rules and regulations and/or amendment thereto from time to time.

The main features of the EROS ESOS 2017 are as under:

#### a) Brief description of the Scheme:

In order to encourage employee participation and value sharing with the permanent employees of the Company, its subsidiary companies, holding companies and such other persons (including the Directors except independent directors and promoters and promoters group), the Board of Directors vide its resolution dated 26 May 2017 have approved the new Eros International Media Limited - Employee Stock Option Scheme 2017 ("EROS ESOS 2017") and have recommended the shareholders to approve the same.

The said Scheme is in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") and applicable provisions of the Companies Act, 2013 and rules thereto.

#### b) Total number of options to be granted:

The aggregate stock units proposed to be granted under the proposed EROS ESOS 2017 from time to time, shall not, upon exercise, exceed 5% of the issued, paid-up and subscribed capital of the Company as on the date of passing of this resolution.



## Notice (contd.)

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation/ termination/ superannuation etc. of the employees or otherwise, would be available for being re-granted at a future date.

In case of any corporate action such as rights issues, bonus issues, merger and sale of division of the Company or such other actions, a fair and reasonable adjustment shall be made to the options granted. Accordingly, the ceiling of 5% equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

**c) Identification of classes of employees entitled to participate in the Scheme:**

The EROS ESOS 2017 shall extend to all the Present and future employees of the Company, to the employees of its existing and future subsidiaries and holding Company in India or outside India including its directors, whether whole time or not, but excluding Independent Directors and promoters, as may be identified by the Board or Committee.

**d) Requirements of vesting, period of vesting and the maximum period within which the stock options shall be vested:**

Fair Value method or any other method as may be prescribed by Ind-AS or SEBI Regulations from time to time.

**e) Exercise price or pricing formula:**

The Nomination and Remuneration Committee is authorized to determine the exercise price for the Options in accordance with Regulation 17 of the SEBI SBEB Regulations, i.e. in conformity with the applicable Guidance Note on Accounting for employee share-based Payments ("Guidance Note") or applicable statutory enactment as may be prescribed by the Institute of Chartered Accountants of India ("ICAI") from time to time, including the disclosure requirements prescribed therein. However, in any case, the exercise price shall not be less than the face value of the equity shares of the Company.

**f) Exercise period and process of exercise:**

The stock options granted under EROS ESOS 2017 shall have no lock-in after the options are vested. The Vested Options would be eligible to be exercised on the Vesting Date itself. On Vesting, the Options may be Exercised by the Option Grantee at any time within the period determined by the Nomination and Remuneration Committee from time to time subject to a maximum period of 5 years from the date of Vesting of the respective Options.

The ESOS Grantees may exercise units by addressing a communication to the Compliance Officer in the prescribed Form. The ESOS Grantee, shall, at the time of exercise

(a) mention the number of units that he/she is willing to exercise under the ESOS 2017; (b) state his/her Demat Account details specifying Depository Participant (D.P.) ID No. and Client ID No. to which the equity shares shall be transferred; (c) tender an amount equal to the aggregate exercise price payable in respect of the stock options exercised; and (d) tender the amount of tax as may be applicable.

**g) The appraisal process for determining the eligibility of employees for the scheme:**

The stock options to be granted to Employees would be based on the appraisal procedure which shall be determined by the Board of Directors or Nomination and Remuneration Committee, on the basis of work performance, period of service, managerial level, technical knowledge, future potential etc.

The Board/Nomination and Remuneration Committee may decide to extend the benefits of the EROS ESOS 2017 to new entrants or to existing employees on such basis as it may deem fit. The stock options to be granted to the non-executive (non-independent) directors shall be recommended by the Board of Directors.

**h) Maximum number of units to be issued per employee and in aggregate and the maximum quantum of benefits to be provided per employee under the ESOS 2017:**

The number of stock options that may be granted to any specific employee under the Scheme shall not, upon exercise, exceed 1% of the issued and paid-up equity share capital of the Company in any financial year. The total number of options to be granted shall not exceed 5% of the paid-up capital of the Company on the date of passing of this resolution. The maximum benefits to be provided per employee shall be the same as the maximum stock options per employee provided hereinabove.

**i) Mode of implementation of the Scheme:**

The EROS ESOS 2017 shall be implemented and administered directly by the Company.

**j) Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:**

The Scheme involves new issue of shares by the Company upon exercise of options under EROS ESOP 2017.

**k) The amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:**

Not Applicable

## Notice (contd.)

**l) Maximum percentage of secondary acquisition that can be made by the trust for the purposes of ESOP:**

Not Applicable

**m) Accounting Policies:**

It is hereby confirmed that the Company shall comply with the accounting policies specified in Clause 15 of the SEBI SBEB Regulations, in respect of the shares issued under ESOS 2017.

**n) Method of Valuation:**

Fair value method or any other method as may be prescribed by Ind-As or SEBI regulations from time to time.

**o) Condition under which option vested may lapse:**

As per EROS ESOS 2017

**p) Specified time period within which the employee shall exercise the vested options in the event of a proposed termination/resignation of employment:**

As per EROS ESOS 2017

**q) Other terms:**

The EROS ESOS 2017 does not involve acquisition of shares from the Secondary Market and no loan is proposed to be provided by the Company to the employees for exercise of stock options. As per the SEBI Regulations, separate special resolution is required to be passed by the members if the benefits of EROS ESOS 2017 as set out in the Resolution No. 5 of this Notice is extended to the employees of the Subsidiary and Holding companies. Accordingly, separate special resolution seeking the approval of the members for extending the benefits of EROS ESOS 2017 to the employees of subsidiary and

Holding companies as may be decided by the Nomination and Remuneration Committee from time to time is placed before the members.

The Nomination and Remuneration Committee shall have the absolute authority to vary or modify the terms of EROS ESOP 2017 in accordance with the regulations prescribed by SEBI or regulations that may be issued by any appropriate authority from time to time, unless such variation, modification or alteration is detrimental to the interests of the Option Grantee.

Copy of the draft EROS ESOS 2017 is available for inspection by members at the Corporate office of the Company during business hours between 11:00 a.m. to 1:00 p.m. and will also be available at the venue of meeting.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in the above referred resolution except in their capacity as shareholders and to the extent of the options/shares that may be issued under the Scheme.

The Board commends the Special Resolutions set out at Item Nos. 5 & 6 of the Notice for approval by the shareholders.

By Order of the Board of Directors  
For **Eros International Media Limited**

**Dimple Mehta**

Vice-President - Company Secretary &  
Compliance Officer

Place : New Delhi  
Date : 26 May, 2017

**Registered Office:**

201, Kailash Plaza,  
Plot No. A-12,  
Opp. Laxmi Industrial Estate,  
Off. Andheri Link Road,  
Andheri West,  
Mumbai - 400 053

**Corporate Office:**

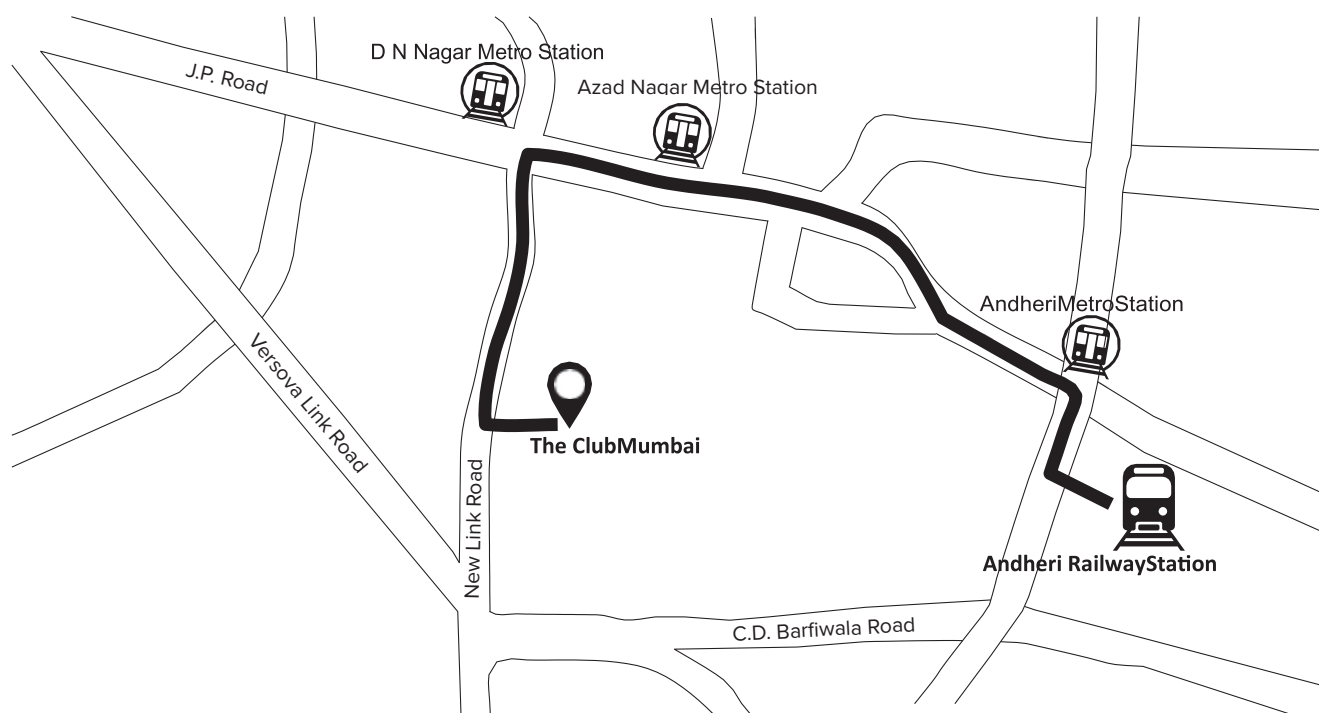
901/902, Supreme Chambers,  
Off. Veera Desai Road,  
Andheri West, Mumbai - 400 053  
Tel.: +91 22 66021500  
Fax No.: +91 22 66021540  
E-mail: [compliance.officer@erosintl.com](mailto:compliance.officer@erosintl.com)

**Registrar and Transfer Agent:**

M/s. Link Intime India Private limited  
Unit: Eros International Media Limited, C-101, 247 Park,  
L.B.S Marg, Vikhroli (West), Mumbai - 400 083  
Tel.: +91 22 49186270  
Fax No.: +91 22 49186060  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## Notice (contd.)

### ROUTE MAP FOR VENUE OF ANNUAL GENERAL MEETING OF EROS INTERNATIONAL MEDIA LIMITED



Venue: 'The Club', DN Nagar, Andheri West, Mumbai 400 053

Prominent Landmark: Juhu Circle

## Notes

This image shows a full page of blank handwriting practice paper. It features 20 evenly spaced, horizontal blue lines running across the entire width of the page. The lines are thin and consistent in color and thickness, providing a guide for letter height and placement. There are no margins, text, or other markings on the paper.

## Notes

[illegible]

## Notes

[illegible]



**Eros International Media Limited**

CIN: L99999MH1994PLC080502

**Registered Office Address:** 201, Kailash Plaza, Plot No. A-12, Opp. Laxmi Industrial Estate, Off Andheri 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 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)**

23<sup>rd</sup> Annual General Meeting on Thursday, 28<sup>th</sup> September 2017 at 2.30 p.m.  
at 'The Club', D N Nagar, Andheri West, Mumbai - 400 053.

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member/proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.



**PROXY FORM – FORM MGT- 11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN : L99999MH1994PLC080502

Name of the Company : EROS INTERNATIONAL MEDIA LIMITED

Registered office : 201, Kailash Plaza, Plot No. A-12, Opp. Laxmi Industrial Estate, Off. Andheri 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 e-mail ID \_\_\_\_\_ or failing him
2. \_\_\_\_\_ of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him
3. \_\_\_\_\_ of \_\_\_\_\_ having e-mail 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 23<sup>rd</sup> Annual General Meeting of the Company, to be held on Thursday, 28 September 2017 at 2.30 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:

Sr. No.	Resolutions	Optional	
		For	Against
ORDINARY BUSINESS			
1.	To receive, consider and adopt (a) audited financial statements of the Company for the year ended 31 March 2017 together with Directors Report and Auditors Report thereon & (b) audited consolidated financial statements for the year ended 31 March, 2017 together with the auditors report thereon.		
2.	To appoint a Director in place of Mr. Kishore Lulla (DIN 02303295), who retires by rotation and being eligible, offers himself for re-appointment		
3.	To appoint the Statutory Auditors of the Company and fix their remuneration		
SPECIAL BUSINESS			
4.	Payment of remuneration to Mr. Kishore Lulla (DIN 02303295) on his re-appointment as Executive Director		
5.	To approve Eros International Media Limited - Employee Stock Option Scheme 2017 and grant of stock options to the employees of the Company under the said Scheme		
6.	To approve the grant of Stock options to the eligible employees of the Company's holding and subsidiaries under the Eros International Media Limited - Employee Stock Option Scheme 2017		

Affix  
Revenue  
Stamp

Signed this..... day of ..... 2017

.....  
Signature of shareholder

.....  
Signature of first proxy holder

.....  
Signature of second proxy holder

.....  
Signature of third proxy holder

Notes:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Corporate Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) A Proxy need not be a member of the Company.
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) \*\*This is optional. Please put a (✓) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

# Corporate Information

## BOARD OF DIRECTORS

### Mr. Naresh Chandra

DIN - 00015833

Non - Executive Chairman &  
Independent Director

[Due to sudden death of Mr. Naresh Chandra, his  
office as a Director stands ceased w.e.f.  
July 09, 2017]

### Mr. Sunil Lulla

DIN - 00243191

Executive Vice Chairman & Managing Director

### Mr. Kishore Lulla

DIN - 02303295

Executive Director

### Mr. Dharendra Swarup

DIN - 02878434

Non - Executive Independent Director

### Mr. Rakesh Sood

DIN - 07170411

Non - Executive Independent Director

### Ms. Jyoti Deshpande

DIN - 02303283

Executive Director

### Mr. Vijay Ahuja

DIN - 02966514

Non - Executive Non-Independent Director

[Retired w.e.f. September 29, 2016]

## GROUP CHIEF FINANCIAL OFFICER (INDIA)

Mr. Dinesh Modi

## VICE PRESIDENT - COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Dimple Mehta

## STATUTORY AUDITORS

M/s. Walker Chandiok & Co LLP  
Chartered Accountants

## CIN

L99999MH1994PLC080502

## BANKERS

State Bank of India (Lead Bank)

IDBI Bank Limited

Indian Overseas Bank

Punjab National Bank

Oriental Bank of Commerce

Union Bank of India

Bank of Baroda

Dena Bank

## CORPORATE OFFICE

901/902, Supreme Chambers,

Off. Veera Desai Road, Andheri West

Mumbai - 400 053

Tel: 91 22 66021500

Fax: 91 22 66021540

Email: [compliance.officer@erosintl.com](mailto:compliance.officer@erosintl.com)

Website: [www.erosintl.com](http://www.erosintl.com)

## REGISTRAR & SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited

Unit: Eros International Media Limited

C-101, 247 Park, L.B.S Marg,

Vikhroli (West), Mumbai 400 083

Tel: +91 22 49186270

Fax No.: +91 22 49186060

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,  
Off. Andheri Link Road, Andheri (W),  
Mumbai - 400 053.  
Tel: + (91 22) 66021500  
Fax: + (91 22) 66021540