

EROS

INTERNATIONAL



EROS INTERNATIONAL MEDIA LIMITED
ANNUAL REPORT 2015-16

COMING SOON

LIBRARY OWNERSHIP
LEADING BOX OFFICE MARKET SHARE
STRONG GLOBAL DISTRIBUTION NETWORK

COMPELLING CONTENT PIPELINE OF OVER 65 FILMS ACROSS LANGUAGES
TRINITY, INDIA'S FIRST FRANCHISE FILM LABEL
EROS NOW, 44 MILLION REGISTERED USERS ACROSS 135 COUNTRIES

LEADERSHIP **DNA**



Bajirao Mastani (Hindi)

We visualise realms of entertainment that have never been imagined before.

We innovate and execute an amazing array of innovative content across diverse genres.

We engage and captivate a vast cross-section of audiences spanning generations. We have been doing this for decades on end.

It is in our DNA.

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**We set and create trends
for the industry to emulate
consistently.**

**Raising the bar of creativity
higher each time.**

In a business where 'refreshing change' is the only constant and viewer preferences are hard to predict, every day brings a new set of challenges. With our finger always on the pulse of audiences, we view these as opportunities to grow and strengthen our business model.

Our market leadership position, worldwide, multi-channel distribution network, valuable film library and marketing strategies position us as an industry vanguard. We predict what our audiences want to watch, analyse ground realities and nurture industry relationships that help us reinforce leadership in a dynamic landscape.

At Eros, leadership means many things; building a vertically integrated business model, ownership of a vast unparalleled content library, and always being at the forefront of change. For instance, Trinity Pictures has been set up as India's first franchise film studio. Our strategy through Trinity is about developing valuable content properties and monetising them beyond traditional avenues, such as comic books, gaming and merchandise. Additionally, we are leading the digital shift in entertainment consumption and are providing entertainment on-the-go through our rapid digital outreach, through Eros Now, the over-the-top (OTT) platform by our parent, Eros International Plc.

**These are distinctive strands of our
leadership DNA that help us create
value for all those who have a stake in
our progress.**



EROS - An Overview

Eros International Media Ltd is a leading global company in the Indian film entertainment industry, which co-produces, acquires and distributes Indian language films in multiple formats worldwide.

Our success is cultivated by key relationships the Eros Group has built over the past 39 years with distinguished talent, production companies, exhibitors and other key industry participants. 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.



KEY COMPETITIVE STRENGTHS

- Leading co-producer and acquirer of new Indian film content, with an extensive film library
- Established, worldwide, multi-channel distribution network
- Diversified revenue streams and pre-sale strategies mitigate risk and promote cash flow generation
- Ability to acquire content in multiple languages and monetise effectively
- Uniquely positioned to capitalise on the high-growth Indian Media and Entertainment market
- Strong and experienced management team



Bajranghi Bhaijaan, Bajirao Mastani and Tanu Weds Manu Returns, are the biggest hits of the year



FY2016 HIGHLIGHTS

01

3 of the top 4 and 7 of the top 15 Indian box office hits in calendar year 2015 were Eros films; *Bajrangi Bhaijaan*, *Bajirao Mastani* and *Tanu Weds Manu Returns* took the No. 1, No. 3 and No. 4 positions in the box office charts, *Srimanthudu* was the 2nd highest grossing Telugu film of all times

02

Eros won over 150 awards including Best Studio of the Year, Best Film, Best Director, Best Story, Best Actor, Best Music among others, across National Awards, IIFA, Screen, Filmfare, Sony Guild, Zee Cine, ETC Bollywood Business and Stardust Awards

03

Bajrangi Bhaijaan won 37 awards, including National Film Award for the Most Popular Film, *Bajirao Mastani* won over 75 awards including National Award for Best Director and *Tanu Weds Manu Returns* won 18 awards. *Pathemari* won the National Award for the Best Malayalam Film

04

Trinity Pictures, India's first dedicated franchise film Studio has 4 films under development scheduled for production in FY2017. The projects include two Indo-China films, a children's action franchise, a live action elephant film and a buddy cop film

05

Eros enters FY2017, with a strong pre-sales visibility for satellite rights of a number of major Hindi and regional releases to Star TV, Zee TV, Viacom, Sony etc. Thereby mitigating significant risks

A Blockbuster FY2016



Bajrangi Bhaijaan

Salman Khan, Kareena Kapoor (Kabir Khan)

Drama

July 2015



Bajirao Mastani

Ranveer Singh, Deepika Padukone, Priyanka Chopra (Sanjay Leela Bhansali)

Romance

December 2015



Tanu Weds Manu Returns

R. Madhvan, Kangana Ranaut (Anand L. Rai)

Romance

May 2015



Welcome Back

John Abraham, Anil Kapoor, Nana Patekar, Paresh Rawal (Anees Bazmee)

Comedy

September 2015



Singh is Bling

Akshay Kumar, Kareena Kapoor, Amy Jackson (Prabhu Deva)

Comedy

October 2015



Gabbar is Back

Akshay Kumar, Kareena Kapoor

Drama

April 2015



Dil Dhadakne Do

Ranveer Singh, Farhan Akhtar, Priyanka Chopra, Anushka Sharma, Anil Kapoor (Zoya Akhtar)

Drama, Comedy

June 2015



Hero

Sooraj Pancholi, Athiya Shetty (Nikhil Advani)
 Romance, Action Drama
 September 2015



Aligarh

Rajkumar Rao, Manoj Bajpai (Hansal Mehta)
 Biographical
 February 2016



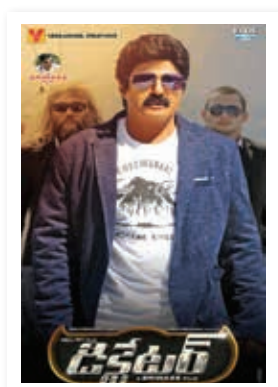
Srimanthudu (Telugu)

Mahesh Babu, Shruti Haasan (Koratala Siva)
 Drama
 August 2015



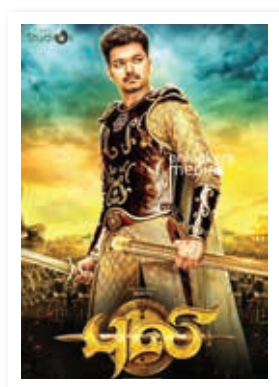
Uttama Villain (Tamil)

Kamal Haasan (Ramesh Aravind)
 Comedy, Drama
 May 2015



Dictator (Telugu)

Balakrishna (Srivaas)
 Action
 January 2016



Mass (Tamil)

Suriya, Nayantara, Amy Jackson (Venkat Prabhu)
 Action, Comedy
 May 2015

Cast/ (Director) Genres Month of Release

High Budget for Hindi films>USD8.5 million, Tamil/Telugu/Regional>USD7 million, Low Budget for all languages <USD1 million in production costs and Medium Budget is the intermediate range

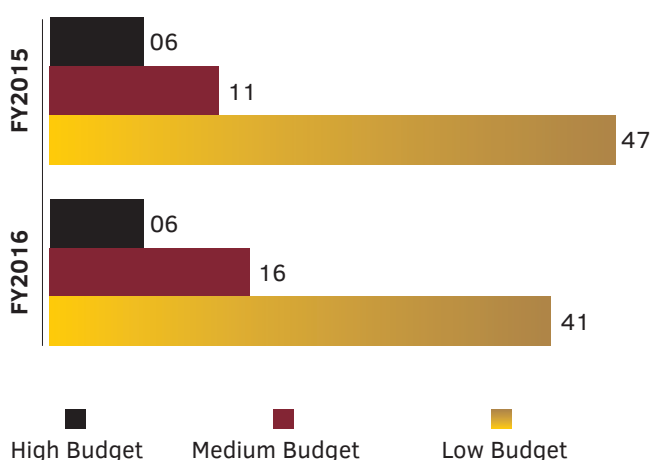
A Blockbuster FY2016 (contd.)

SCALE AND PORTFOLIO STRATEGY FOR SUSTAINABLE COMPETITIVE ADVANTAGE

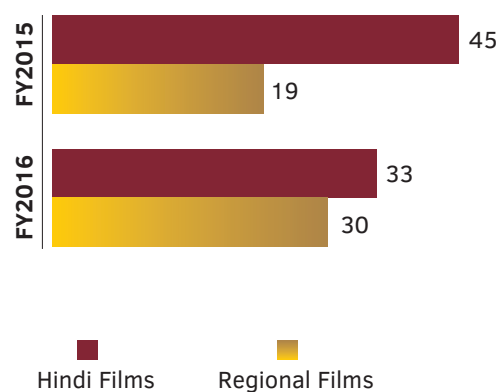
TOTAL NO. OF FILMS RELEASED

FY2015 - **64** Films FY2016 - **63** Films

NO. OF HIGH, MEDIUM AND LOW BUDGET FILMS RELEASED



NO. OF HINDI AND REGIONAL FILMS RELEASED



STRONG CASHFLOW GENERATION

₹300 crores
free cash flow

Generated a healthy free cash flow of ₹ 300 crores, compared to ₹ (5) crores in FY2015.

UNDERLEVERAGED BALANCE SHEET

0.06
debt equity ratio

The net debt/equity ratio improved to 0.06 compared to 0.21 as on 31 March, 2015.

EFFICIENT WORKING CAPITAL MANAGEMENT

₹428.22 crores
receivables

The receivables reduced from ₹ 525.74 crores (133 DSO days) in FY2015 to ₹ 428.22 crores (97.5 DSO days). A significant improvement on the management guidance of ₹ 525 crores.

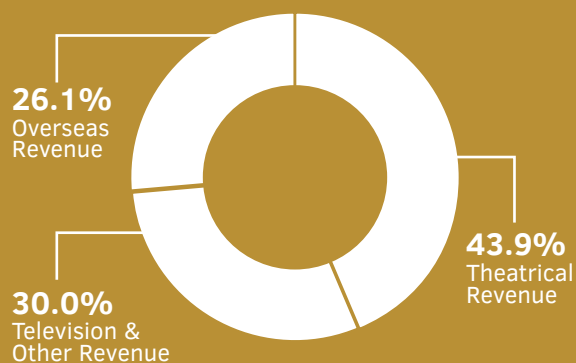
SUSTAINED REVENUE GROWTH

₹1,603.55 crores
total income

Total income grew to ₹ 1,603.55 crores (₹ 1,441.03 crores in FY2015), an increase of 11.3%.

Financial Performance FY2016

DIVERSIFIED REVENUE MIX



REVENUE

(₹ in crores)

FY2011	715.92
FY2012	963.18
FY2013	1,074.35
FY2014	1,139.64
FY2015	1,441.03
FY2016	1,603.55

EBITDA

(₹ in crores)

FY2011	161.27
FY2012	225.69
FY2013	226.22
FY2014	299.71
FY2015	361.55
FY2016	337.46

PROFIT AFTER TAX

(₹ in crores)

FY2011	117.23
FY2012	147.84
FY2013	154.53
FY2014	199.69
FY2015	247.06
FY2016	214.14

DILUTED EPS

(₹)

FY2011	14.35
FY2012	16.16
FY2013	16.81
FY2014	21.63
FY2015	26.43
FY2016	22.79



Message from Executive Vice Chairman & Managing Director



“Overall, FY2017 will see an exciting movie collection for Eros of over 65 films driven by compelling stories in Hindi and other regional languages, making it the biggest future slate by any studio in India.”

Dear Shareholders,

As I write to you, Eros International is emerging stronger across India’s vast and growing entertainment landscape, building on its time-tested leadership.

Our idea of leadership is all-encompassing. It is evident not only in the way we manage our company, but also the role we play as a catalyst for change in our industry. We achieve this through a keen analysis of developments in the media markets around the world and incorporating global best practices in all we do, to build a better, stronger Eros.

For over three decades, Eros has been a pioneer in setting the global stage for Indian language cinema. Equipped with a strong balance sheet, scale, a large content library and a well-developed distribution network, Eros will continue to capitalise on new opportunities. Our operations involving the distribution of new films across

theatrical, television and digital channels, along with monetisation of our extensive film library provides us with diversified revenue streams and a de-risked business model.

Our marketing and distribution capabilities allow us to reach audiences across India and over 50 countries in the original, dubbed or sub-titled form. Together with our strength in content, this enables Eros to sustain its strong leadership in India's filmed entertainment industry.

The industry has witnessed significant growth on the back of diversified content ideas, wider releases and aggressive promotions by production houses. Factors such as rapid urbanisation, penetration of multiplexes in Tier II and III cities, increasing sophistication in production and marketing of films and viewers' appetite to embrace varied content are all expected to be a catalyst for future growth. Additionally, the regional film industry is rapidly developing and offers a huge potential for growth. As a result, film revenues are expected to grow at CAGR of 10.6% over the period CY2015-20.

I am happy to report yet another strong set of financial results for FY2016. We ended the year with record revenues of ₹ 1,603.55 crores and healthy profitability. The most encouraging highlight was that we generated free cash flows of ₹ 300 crores in FY2016 and strengthened our balance sheet by bringing about working capital efficiencies.

Our results reflect the strong performance of our film slate with complete domination of the box office charts with runaway hits such as Bajrangi Bhaijaan, Bajirao Mastani, Tanu Weds Manu Returns, Welcome Back and others. The box office performance was complemented by strong television, ancillary and overseas revenues. The quality and performance of our films is further validated by the 150+ awards that we have won in 2015, earning Eros the honour of 'Studio of the Year'.

We continue to take pride in our green-lighting process, and build on our portfolio strategy of films across varied budgets and languages backed by strong pre-sales to minimise the risk profile of our business.

Digitisation of cinema screens has changed the landscape of Indian cinema in several ways. At Eros, we have leveraged this trend to ensure faster consumer reach and tighter cost control, and further consolidate our leadership position.

Eros continues to lead innovations in the industry and our initiative of Trinity Pictures, India's first franchise film label is progressing well with 4 films expected to enter into production, including 2 Indo-China film productions. We believe that with these initiatives in the years to come we will be able to develop new and non-traditional revenue streams such as gaming, merchandising and

opening new markets such as China for theatrical releases. Equally Eros Now, the entertainment portal owned by our parent company, Eros International Plc. is growing well and we are proud to have garnered over 44 million registered users.

At Eros, we remain committed to serve our audiences better; and in this context I would like to thank the extraordinary effort of our employees and partners.

We are entering FY2017 with an exciting collection of over 65 content driven Eros films in Hindi and other regional languages, making it the biggest future slate by any studio in India. We have already entered into pre-sales of satellite rights for Housefull 3, Dishoom, Baar Baar Dekho, Rock On 2, Banjo amongst others along with some regional films which give us a good revenue visibility and mitigate risk.

I am confident that with our clear strategic focus and our scaled up and differentiated business model we will continue to deliver encouraging results in the future.

On behalf of our entire leadership team, I thank all our shareholders and associates for their continued support.

Regards,

Sunil Lulla

Executive Vice Chairman
& Managing Director

We lead
**BY CREATING
COMPELLING
CONTENT...**

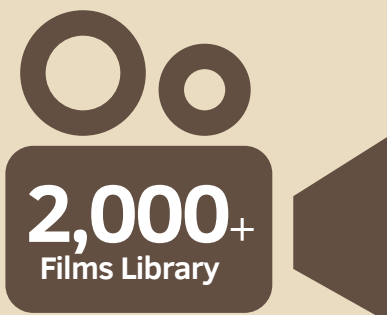
**leveraging our
understanding of
emerging trends to
deliver world class
execution.**



Ki & Ka (Hindi)



Aligarh (Hindi)



NH10 (Hindi)

We maintain our leadership position by predicting emerging audience preferences, leveraging deep relationships with industry talent; acquiring and co-producing compelling and refreshing content.

33

Hindi Films Released in FY2016

30

Regional Films Released in FY2016

Our business model is built around securing content through co-production or acquisition deals and monetising it through our distribution network across multiple formats, along with our library of over 2,000 films.

Irrespective of whether a film is acquired or co-produced, our green lighting process assesses the potential value of a film's various rights. Our experienced management team takes into account diverse factors including the cast, director, composer, script, estimated budget, genre and track record of the production house. Our primary focus is to source a diversified portfolio of films that are expected to generate commercial success.

Our films enjoy significant audience and critic appreciation. This is reflected in the 150+ awards our films won across IIFA, Screen, Filmfare, Sony Guild, Zee Cine, ETC Bollywood Business and Stardust Awards.

We believe our scale of operations, robust market share, global distribution platform along with brand reputation and recall will contribute to our sustained growth in India and internationally.

HIGH AND MEDIUM BUDGET FILMS

We have consciously focused on high and moderate budget Hindi films, because they offer better production values and typically attract larger theatrical audiences and larger television syndication revenues. We intend to sustain our focus on high and medium budget films; and augment our library with quality content for exploitation through our distribution channels; and explore new bundling strategies to monetise existing content.

REGIONAL FILM STRATEGY

At Eros, we are consistently expanding our non-Hindi content offerings to reach a substantial Indian population who are not native Hindi speakers. While Hindi films retain a broad appeal across India, India's linguistic diversity allows us to treat regional language films as distinct markets. A big advantage of scaling the regional slate is that we can release a regional film on the same date as a Hindi film and take a greater combined share of the box office. In FY2016 we released a total of 30 films in regional languages.

In addition to Tamil and Telugu, we produce and distribute films in other regional languages such as Marathi, Malayalam, Punjabi and Bengali. Additionally, we intend to exploit re-make rights to some of our popular Hindi movies into non-Hindi language content targeted at regional audiences.

Strong market share in the largest regional markets of Tamil and Telugu

Major expansion in Malayalam and Marathi markets with four releases each

Entry into the Bengali film market with the first Bengali production, 'Monchora'

Upcoming slate of promising regional movies, spanning Tamil, Telugu, Malayalam, Marathi and Punjabi languages

We lead
**WITH A ROBUST
MONETISATION
STRATEGY...**

and our ability to straddle the entertainment value-chain through our established, worldwide, multi-channel distribution network.



Baar Baar Dekho (Hindi)

At Eros, we distribute our content globally, using a robust network that we have built over decades. We are able to use our distribution strength to effectively monetise content and capture higher value.



Reach of the Eros distribution network



Tanu Weds Manu Returns (Hindi)

WE DISTRIBUTE FILM CONTENT PRIMARILY THROUGH THE FOLLOWING DISTRIBUTION CHANNELS:

- Theatrical; **multiplex chains and stand-alone theatres**
- Television syndication; **satellite television broadcasting, cable television and terrestrial television**
- Digital and ancillary; includes **IPTV, VOD, music, inflight entertainment, home video and Eros Now**

THEATRICAL DISTRIBUTION



India's theatrical market comprises of both multiplex and single screen theatres, which are 100% digitally equipped. We distribute our content in all the 14 circuits either through our internal distribution offices (Mumbai, Delhi, East Punjab, Mysore, Kerala, West Bengal and Bihar) or through sub-distributors. Our internal distribution network allows us greater control, transparency and flexibility over core regions in which we distribute our films. It also permits us to retain a greater portion of revenues per picture, as a result of direct exploitation instead of using sub-distributors, which requires the payment of additional fees, sub distributor margins or revenue shares. Outside India, we distribute our films theatrically through our parent company, Eros International Plc. which has offices in Dubai, Singapore, the U.S., the U.K., Australia and Fiji and through sub-distributors.

TELEVISION DISTRIBUTION



We enter into licensing deals with major television networks in India, such as Star, Sony, Zee and Colors to license our new and catalogue films. This majorly includes licensing of films for cable television, satellite television and terrestrial television. In the context of growing demand for premium television content, we have been successful in pre-selling a large proportion of our future slate at attractive prices to secure revenue visibility and mitigate risk.

OVERSEAS DISTRIBUTION



We distribute our films through the established, worldwide, multi-channel distribution network of our parent company, Eros International Plc. The distribution network extends to over 50 countries, such as the U.S., the U.K. and the Middle East, where we distribute films to South Asian diaspora. In addition, we dub and sub title our content in local languages and distribute it in countries such as Germany, Poland, Russia, Romania, Indonesia, Malaysia, Taiwan, Japan, South Korea, China and Middle Eastern countries. China is increasingly becoming an important market and we expect to release selected successful films from our slate for wider release into China. For instance, Bajirao Mastani is expected to be released in China in September 2016 in across 6,000 screens, one of the widest ever releases for an Indian film in China.

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

MUSIC AND MARKETING



The pre-release marketing of a film is an integral part of our theatrical distribution strategy. Our marketing team creates marketing campaigns tailored to market the film, utilising print, brand tie-ups, music pre-releases, television, outdoor advertising and online and social media marketing to generate momentum for the release of the film. We use promotional agreements and integrated television marketing to subsidise marketing costs and expand our marketing reach. We partner with leading consumer companies in India which support our marketing campaigns in exchange for including their brands in promotional billboards, print ads and other marketing materials for our new film releases. Music, in addition to generating a revenue stream, plays a vital role in the film marketing process, generating a buzz around the film and drawing audiences. Our marketing teams also work with the film cast to coordinate promotional appearances on popular television programming, timed to coincide with the marketing period for upcoming theatrical releases.

We lead
**THE DIGITAL
REVOLUTION...**

by powering Eros Now,
a world class digital
OTT platform.



EROS NOW PARTNERSHIPS



Largest market share
of internet subscribers in India



Third largest market
share of internet subscribers in India



Most anticipated
digital platform in India



Second largest
handset manufacturer in India



Only Indian OTT platform
to penetrate into the growing Malaysian market



- ⦿ Eros Now is a strategic partner to **LeEco Smart phone launch in India**
- ⦿ Exclusive provider of **video-on-demand content at launch**
- ⦿ Eros Now content fully **integrated into LeEco handsets**
- ⦿ Pre-bundled Eros Now subscription for **every handset purchased (Eros Now Plus or Premium)**
- ⦿ Deal to include **Eros Now partnership at LeEco's SmartTV launch (FY2017)**

Pushing the digital envelope is natural for us as a leading innovator in Indian film entertainment. In addition to our theatrical and television distribution networks, our parent, Eros International Plc. owns Eros Now. Eros Now comprises full-length films, music videos, music, clips and other video content.

EROS NOW⁽¹⁾ - KEY NUMBERS

5,000

Film Rights

250,000

Audio Tracks

13

Indian music labels providing music content

44 Million +

Registered Users

135 Countries

Global footprint of Users

Eros Now, our digital over-the-top entertainment service offers a world-class choice of content including Indian language films, music and original shows.

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.

Through our digital distribution channel we primarily monetise music assets and distribute movies and other content primarily in IPTV, VOD (including SVOD and DTH) and online internet channels.

Eros India Group will be a key content provider for the digital business and will also hold a share of equity in this business, subject to applicable approvals.

EROS NOW - FY2016 HIGHLIGHTS

- ⦿ Eros Now is growing rapidly with 44 million registered users across WAP, APP and Web at the end of FY2016
- ⦿ It has implemented exciting product features such as “Portability”, “video progression” and “offline viewing” that allows its subscribers to access content even when they are not connected to the internet
- ⦿ Eros Now is available across all iOS platforms. We recently launch it on Apple TV media platform and it is now showcasing across Apple TV’s presence in 80 key countries including the U.S., U.K., India, Canada, Australia and Malaysia
- ⦿ Eros Now is available on Amazon Fire TV to users across U.S., U.K. and Western Europe
- ⦿ Eros Now is available across all Android platforms. We have further extended its presence to Android TV, one of the fastest growing TV platforms
- ⦿ Eros Now service is integrated with Bharti Airtel and Idea, India’s leading telecom operators
- ⦿ We have struck deals with LeEco and Micromax to pre-bundle smartphones to be sold in India

We will continue to entertain generations in a platform agnostic manner. We strive to consistently be on the forefront of technology to bring big screen entertainment at the fingertips of a wide cross-section of people.

Platform Agnostic Strategy



(1) As on 31 March, 2016

We lead

BY CONCEIVING BREAKTHROUGH IDEAS...

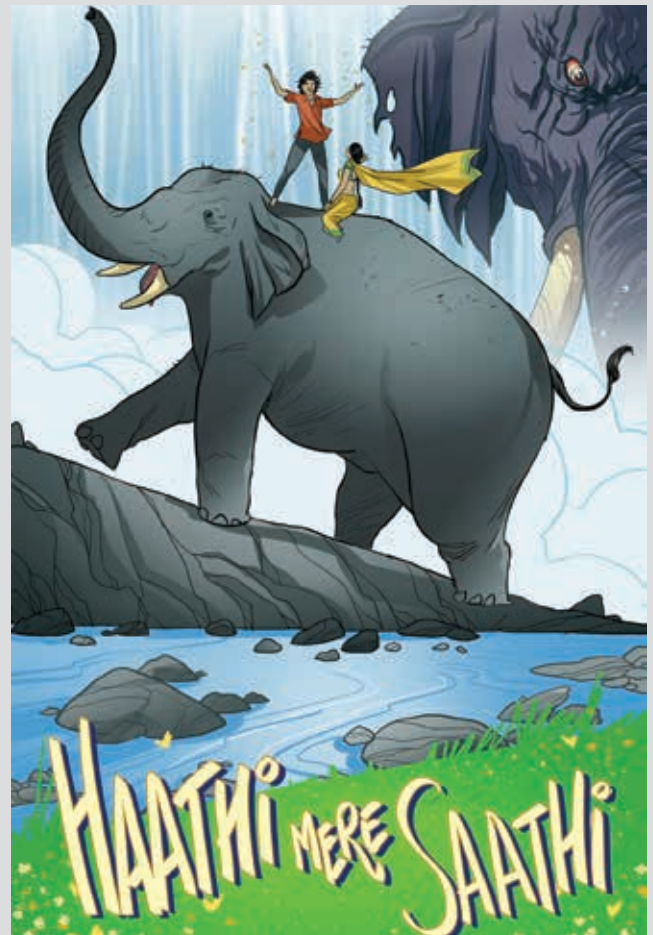
and unleashing
new possibilities
through initiatives
such as setting up a
franchise studio.



A DIVISION OF EROS INTERNATIONAL

**Trinity Pictures is
a industry-first initiative
that will build franchise-
films in India**

**We set up Trinity Pictures
in FY2015, as India's first
dedicated franchise studio as
a part of our vision to emerge
as a global content player; that
creates intellectual property
around powerful character
driven franchises and
monetises these properties
across films, merchandising,
gaming, among others.**



Through Trinity Pictures, we plan to launch its first slate of films during FY2017. Trinity pictures is one of the first Bollywood studios in India with a dedicated in-house team of writers (the 'Trinity Writers' Room'), and has created over ten original franchises since inception, out of which we expect at least four films will go into production in FY2017 and release in FY2018. Trinity's initial film slate line-up includes a range of character driven franchises across budgets, genres and languages.

The first Indo-China film "The Zookeeper" (working title), written and developed in-house by Trinity Pictures to be co-produced with Chinese studio Peacock Mountain Culture & Media Ltd, will be directed by Kabir Khan (the director of Bajrangi Bhaijaan) and shot simultaneously in both languages. Another Indo-China film will be co-produced with Huaxia Film Distribution Co Ltd. and is currently titled "Love in Beijing", will be directed by Siddharth Anand. We expect both films to be released in FY2018. Other projects include a children's action franchise, live action elephant film and a buddy cop film. Eros' presence in China has been further fortified by strategic partnerships with three major Chinese state-owned film and entertainment companies, China Film Group Corporation, Shanghai Film Group Corporation and Fudan University. This is to promote, co-produce and distribute Sino-Indian films across all platforms in India and China.

Staying true to the promise of being India's first franchise studio, Trinity Pictures is having discussions with various partners to create a digital comic book series, online gaming, animation series and merchandise for these franchise films.

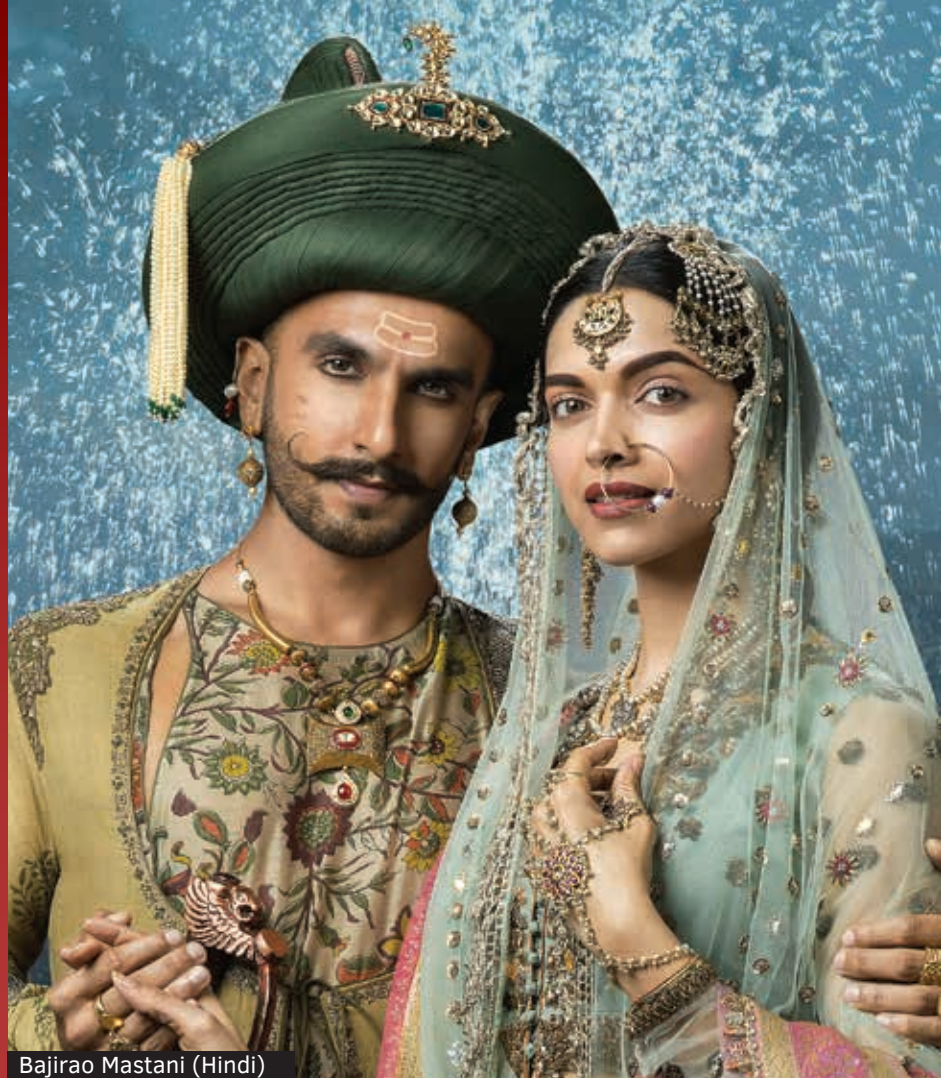


Initial film slate line-up includes a range of character driven franchises across budgets, genres and languages.

Two Indo-China films written and developed in-house by Trinity Pictures will enter production in FY2017; one, to be directed by Kabir Khan (the director of Bajrangi Bhaijaan) and the other is to be directed by Siddharth Anand. Eros' presence in China has been fortified by strategic partnerships with three major Chinese state-owned film and entertainment companies.

We lead
**BY ADOPTING
A WINNING
STRATEGY...**

allowing us to
remain ahead of the
innovation curve.



Bajirao Mastani (Hindi)

KEY HIGHLIGHTS

- ◉ Leading box office market share for Indian content
- ◉ Established worldwide, multi-channel distribution network
- ◉ Trinity, India's first franchise film label
- ◉ Strong and experienced management team
- ◉ Ownership of extensive film library
- ◉ Compelling content pipeline and high revenue visibility
- ◉ Significant digital presence through parent-owned, Eros Now
- ◉ Diversified and growing monetisation streams
- ◉ Prudent pre-sale strategies to mitigate risk
- ◉ Strong profitability, free cashflow generation and Balance Sheet

₹ **2,260**
Billion

India's M&E
Industry size in
FY2020

Films are a “no entry” barrier business, however, “barriers to scale” are very high. Decades of experience and track record is testimony to our strategy of value creation across the Industry. We are committed to drive change and continue leading into the future by focusing on a diverse set of actions. Some of these strategies include:

EXPANSION INTO NON-HINDI FILM CONTENT

Eros is leveraging its resources, international reputation and distribution network to implement its growth strategy for the regional films market. In addition to Tamil and Telugu, we intend to explore more content in select regional languages, such as Malayalam, Marathi, Bengali and Punjabi. Additionally, we intend, where opportunities are available, to exploit re-make rights of popular Hindi films for non-Hindi language content. Regional films also have a large international appeal, and it will allow us to further leverage our distribution network.

LEVERAGE POSITIVE INDUSTRY TRENDS

The KPMG-FICCI Report 2016 projects that India's media and entertainment industry is expected to grow by 14.3% compound annual growth rate, or CAGR, from \$1,157 billion in 2015 to \$2,260 billion in 2020. Indian theatrical market is underpenetrated with only 6 screens per million population as compare to 23 screens per million population in China and 126 screens per million population in the U.S. presenting a large growth opportunity. The Indian Television market is the second largest in the world after China, reaching an estimated 175 million TV households and it is estimated that it will grow from ₹ 542.2 billion in 2015 to ₹ 1,097.6 billion in 2016 with increasing number of channels fuelling competition for quality film content. Broadband and mobile platforms present a growing digital avenues to exploit content. As per Telecom Regulatory Authority of India, the number of unique mobile users in the country are 500 million and they are expected to reach 1.3 billion by 2020. At Eros, we make the most of these opportunities to monetise library and distribute new films through existing and emerging platforms.

In addition to Tamil and Telugu, explore more content in Malayalam, Marathi, Punjabi and Bengali markets

Leverage a wide distribution network and balance sheet strength to drive future growth initiatives

Monetise our film libraries to generate recurring cashflows

MONETISING OUR EXTENSIVE FILM LIBRARY

Our extensive library of over 2,000 films, consist of recent and classic titles that span different genres, budgets and languages. This provides us with a reliable source of recurring cash flow after the theatrical release period of the film has ended. In addition, because our film library is large and diversified, we can leverage our library more effectively by licensing not just single films but multiple films.

GROWTH THROUGH ON-DEMAND ENTERTAINMENT PORTAL, EROS NOW

With the launch of Eros Now by our parent, Eros International Plc., we have set our sights on the expansion of digital presence. Eros India Group will be a key content provider for the digital business and will also hold a share of equity in this business, subject to applicable approvals.



Dishoom (Hindi)



Banjo (Hindi)



Sardaar Gabbar Singh (Telugu)

WE TELL EXCITING AND ENGAGING STORIES; AND HELP SHAPE THE FUTURE OF ENTERTAINMENT FOR THE WORLD.



Housefull 3 (Hindi)



Dictator (Telugu)

SELECTED MAJOR RELEASES IN FY2017

FILM NAME	STAR CAST / (DIRECTOR)	PRODUCTION / CO-PRODUCTION / ACQUISITION	GENRE	ACTUAL / ANTICIPATED QUARTER OF RELEASE
Ki & Ka	Arjun Kapoor & Kareena Kapoor / (R. Balki)	Co-production	Drama	Released Q1 FY2017
Sardaar Gabbar Singh (Telugu)	Pawan Kalyan / (North Star / K S Ravindra)	Co-production	Action	Released Q1 FY2017
Nil Battey Sannata (The Classmate)	Swara Bhaskar / (Colour Yellow-Jar Pictures)	Co-production	Drama	Released Q1 FY2017
24 (Tamil)	Suriya, Samantha / (Studio Green / Vikram Kumar)	Acquisition	Science Fiction	Released Q1 FY2017
Housefull 3	Akshay Kumar, Riteish Deshmukh, Abhishek / (Nadiadwala / Sajid Farhad)	Co-production	Comedy	Released Q1 FY2017
Dishoom	John Abraham, Varun Dhawan, Jackie Fernandez / (Nadiadwala / Rohit Dhawan)	Co-production	Action	Q2 FY2017
Happy Bhag Jayegi	Diana Penty, Abhay Deol, Jimmy Shergill	Co-production	Romantic Comedy	Q2 FY2017
Banjo	Riteish Deshmukh & Nargis Fakhri / (Ravi Jadhav)	Production	Drama	Q2 FY2017
Baar Baar Dekho	Siddharth Malhotra & Katrina Kaif / (Dharma / Nitya Mehra)	Acquisition	Romantic Drama	Q2 FY2017
Rock On 2	Farhan Akhtar, Arjun Rampal / (Excel / Shujaat Saudagar)	Acquisition	Drama	Q3 FY2017
Chaar Sahibzaade 2 (Punjabi)	3D Animation / (Harry Baweja)	Co-production	Animation, History	Q3 FY2017
Guru Tegh Bahadur (Punjabi)	3D Animation / (Harry Baweja) Acquisition	Acquisition	Animation, History	Q4 FY2017

*Strong satellite pre-sales for FY2017 slate to Zee TV, Star TV, Sony and Colors

Board of Directors



Naresh Chandra

Chairman and Non-Executive Independent Director

Mr. Naresh Chandra is our Non-Executive Chairman and Independent Director since September 28, 2009. He received a Masters' degree in science from Allahabad University. Mr. Chandra, former civil servant, 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, the highest post in the Indian civil service. In 1992, he was appointed Senior Advisor to the Prime Minister of India. He served as the Governor of Gujarat in 1995-1996 and ambassador of India to the USA 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, a high civilian award, by the President of India in 2007.



Dhirendra Swarup

Non-Executive Independent Director

Mr. Dhirendra Swarup is a government-certified accountant and a member of the Institute of Public Auditors of India, and has a post-graduate 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. He has approximately 45 years of experience in finance, budgeting, audit, public policy, public investments, project appraisal and evaluation of schemes and programmes of the Government of India. Mr. Swarup has also served as chairman of the Pension Funds Regulatory Authority from 2005 to 2009 and Chief of the Budget Bureau of the Government of India from 2000 to 2005. Besides, he was member secretary of the Financial Sector Reforms Commission (2011-13); chairman of Public Debt Management Authority Task Force and currently, chairman of Financial Sector Redress Agency set up by the Government of India.

Mr. Swarup was involved in the drafting of the Fiscal Responsibility and Budget Management Act, 2003, and the fiscal rule made thereunder. He has been associated with the International Monetary Fund between 1993 and 2007, and 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 U.K., Turkey and Georgia. He is on the Board of several listed companies, and also acts as 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 M Sc in Physics from St Stephen's College, Delhi University. Before joining the IFS, he had worked briefly with DCM and SBI. He subsequently pursued post-graduate studies in Economics and Defence Studies.

During his 36 year long diplomatic career, Ambassador Sood served in Brussels, Dakar, Geneva and Islamabad in different capacities and also as Deputy Chief of Mission in Washington. In Delhi, Ambassador Sood set up the Disarmament and International Security Affairs Division and headed it for eight years till the end of 2000. During this period, he was responsible for multilateral disarmament negotiations relating to chemical and biological weapons, nuclear tests etc, bilateral dialogues with USA, Pakistan, France etc and also the ASEAN Regional Forum. Thereafter, he served as Ambassador to the Conference on Disarmament in Geneva, Afghanistan, Nepal and France. After retiring from the diplomatic service in 2013, Ambassador Sood was appointed special Envoy of the Prime Minister (SEPM) for disarmament and non-proliferation issues; he held this position till May 2014.

After leaving government, Ambassador Sood 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.



Sunil Lulla

Executive Vice Chairman & Managing Director

Mr. Sunil Lulla, received a bachelors' degree in commerce from Mumbai University. He has over 25 years of experience in the media and entertainment industry. He is associated with EROS Group since the Company's formation and led its growth within India for many years before being appointed Executive Vice Chairman and Managing Director of Eros India on September 28, 2009. Mr. Sunil Lulla was reappointed as the Company's Managing Director on September 3, 2015 for another period of five years.

During his stint as the Managing Director, he has contributed his mite to develop and expand the Company's business in India. Under his leadership, the Company continued to achieve its milestone. He has been instrumental in developing and expanding EROS Group in India and also establishing the Company's existence in Distribution in India and Home entertainment & music sector. Mr. Sunil Lulla is the brother of Kishore Lulla and cousin of Mr. Ahuja.



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 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 & Diversity Awards. In 2014, Forbes Asia featured Mr. Kishore Lulla on the list of Best under a Billion. He was also honored 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.

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. Mr. Kishore Lulla is the brother of Mr. Sunil Lulla and a cousin of Mr. Vijay Ahuja.



Ms. 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 ultimate parent company. With a degree in Commerce and Economics and an MBA from Mumbai University, Ms. Deshpande has over 23 years of experience in Indian media and entertainment across advertising, media consulting, television and film. 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.



Vijay Ahuja

Non-Executive Non Independent Director

Mr. Vijay Ahuja, is our Non Executive and Non Independent Director and also the Director and Vice Chairman of Eros International Plc., our ultimate parent company. Mr. Ahuja received a bachelor's degree in commerce from Mumbai University. Mr. Ahuja co-founded the United Kingdom business in 1988 and has since played an important role in implementing the key international strategies, helping expand Eros Group's business to its present scale by making a significant contribution to development of Eros International group's business in the South East Asian markets, such as Singapore, Malaysia, Indonesia and Hong Kong.

Mr. Ahuja is a cousin of Mr. Kishore Lulla and Mr. Sunil Lulla.

Awards & Recognitions

Eros films win over 150 awards across IIFA, Screen, Filmfare, Sony Guild, Zee Cine, ETC Bollywood Business & Stardust Awards



AN ARRAY OF AWARDS WON BY EROS

- ⦿ Best Film
- ⦿ Best Director
- ⦿ Best Actor
- ⦿ Best Story
- ⦿ Best Screenplay
- ⦿ Best Cinematography
- ⦿ Best Art Direction
- ⦿ Best Sound Design
- ⦿ Best Costume Design
- ⦿ Best Dialogue
- ⦿ Best Choreography
- ⦿ Best Actor in a Supporting Role (Male)
- ⦿ Best Actor in a Supporting Role (Female)
- ⦿ Best Child Artist
- ⦿ Best special effects
- ⦿ Best Background Score
- ⦿ Best Playback Singer
- ⦿ Best Debut (Male)
- ⦿ Best Debut Couple
- ⦿ Best Production Design
- ⦿ Best Action
- ⦿ Best actor in a Comic Role
- ⦿ Best Actor in a Negative Role
- ⦿ Best Film- Bengali Category
- ⦿ Best VFX
- ⦿ Top Grosser of the Year

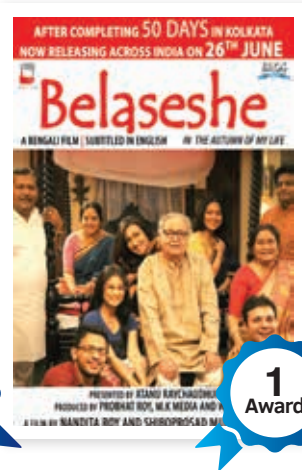
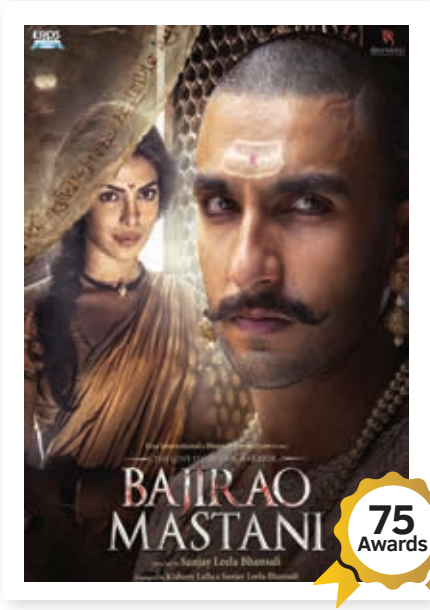
Eros International Corporate Awards



Award for Film Distribution in Mumbai, Delhi-UP, East Punjab, West Bengal and Mysore



Excellence In International Distribution Award



Directors' Report

To,
The Members,

Your Directors have pleasure in presenting the 22nd Annual Report of your Company for the financial year ended 31 March, 2016.

1. FINANCIAL RESULTS

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

₹ in lakhs

Particulars	Eros International Media Limited (Standalone)		Eros International Group (Consolidated)	
	2015 - 16	2014 - 15	2015 - 16	2014 - 15
Sales and other Income	119,202	109,071	160,355	144,103
Profit Before tax	18,130	19,787	30,360	32,315
Less: Provision for Tax	6,811	7,368	7,908	7,615
Less: Minority Interest	-	-	1,037	(6)
Net profit after Tax	11,319	12,419	21,415	24,706
Add: Balance carried forward from Profit and Loss A/c	60,358	47,939	101,089	76,383
Add: Recoupment from Minority Shareholders	-	-	9	-
Profit available for appropriations	71,677	60,358	122,513	101,089
Add: Excess provision for dividend distribution tax reversed	-	-	-	-
Balance of profit carried forward to Balance Sheet	71,677	60,358	122,513	101,089
EPS (Diluted) in ₹	12.05	13.28	22.79	26.43

During the financial year 2015 - 16, your Company released a total of 63 films, of which 6 were high budget, 16 medium budget and 41 low budget films as compared to 64 films released in corresponding period last year of which 6 were high budget films, 11 medium budget and 47 low budget films. Amongst the 63 films released during the financial year, 33 were Hindi films, 21 were Tamil/Telugu films and 9 were other regional language films.

The year saw Eros International's films achieve unprecedented success in box office performance of its films with 7 out of the top 15 Hindi films in 2015 being Eros films. A string of films such as the Salman Khan-starrer 'Bajrangi Bhaijaan', Sanjay Leela Bhansali's 'Bajirao Mastani', 'Tanu Weds Manu Returns', 'Welcome Back', Bengali films such as 'Bela Seshe', 'Monchora', the second highest Telugu-grosser 'Srimanthudu' along with 'Singh is Bling' (Overseas), 'Dil Dhadakne Do' (Overseas), 'Gabbar is Back' (Overseas) amongst others marked our unparalleled, critically and commercially successful film slate during the year. Moreover, Eros films won over 150 prestigious awards for excellence further reinforcing Eros' approach of investing in a portfolio of high-quality films.

For the current financial year 2016 - 17, your Company has clocked in a promising slate of films with franchise films 'Housefull 3' and 'Rock On 2', other major films such as 'Dishoom', 'Baar Baar Dekho', 'Banjo', Colour Yellow Productions 'Happy Bhaag Jayegi' in Hindi alongwith a host of promising regional movies such as '24' in Tamil, 'Sardaar Gabbar Singh' in Telugu, 'Chaar Sahibzade' in Punjabi and many other

films spanning across Hindi, Tamil, Telugu, Malayalam, Marathi and Punjabi languages. With this, FY2017 will be seeing an unparalleled movie repertoire, making it the biggest future slate by any studio in India.

Another significant value-addition to the business during the fiscal was the development slate at India's first and only franchise label, Trinity Pictures. Trinity is also the first Studio in India that has a dedicated in-house team of writers in the 'Trinity Writers' Room'. This initiative is tracking well and the team has developed four films that will enter production in this financial year. Out of this, two films that were developed in-house have been green lit as Indo-China productions.

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.

During the fiscal, the Company generated strong free cash flows of ₹ 300 crores as compared to negative ₹ 5 crores in the previous financial year and also improved its working capital efficiencies. The country's leading bank, State Bank of India (SBI), has also expressed confidence in your Company's business and has been inducted in the Consortium of bankers and is appointed as a lead bank. SBI has assessed consortium limits at ₹ 750 crores, which was previously assessed at ₹ 434.1 crores and has sanctioned credit facilities of ₹ 250 crores, reflecting upon the Company's strong financial position.

2. DIVIDEND

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

3. RESERVES

No percentage of profits was transferred to General reserve as dividend was not recommended for the financial year 2015 - 16.

4. RESULTS OF OPERATIONS

Consolidated

In the financial year 2015 - 16, the Company recorded consolidated revenue of ₹ 160,355 lakhs as against ₹ 144,103 lakhs in the previous financial year, registering a growth of 11.28%. The earnings before

interest and tax (EBIT) decreased by 6.66% to ₹ 33,746 lakhs as compared to ₹ 36,155 lakhs in previous year. The Profit after tax (after minority interest) (PAT) at ₹ 21,415 lakhs was lower by 13.32% over last year (₹ 24,706 lakhs in FY 2014 - 15). Diluted EPS decreased by 13.77% to ₹ 22.79 as compared to ₹ 26.43 in financial year 2014 - 15.

Standalone

On standalone basis, the revenues from operations for the financial year 2015 - 16 stood at ₹ 119,202 lakhs which was higher by 9.29% as compared to previous year which was ₹ 109,071 lakhs. The earnings before interest and tax (EBIT) decreased by 9.01 % to ₹ 21,502 lakhs as compared to ₹ 23,631 lakhs in previous year. The Profit After Tax (PAT) at ₹ 11,319 lakhs was lower by 8.85% over last year (₹ 12,419 lakhs in FY 2014 - 15). Diluted EPS decreased by 9.26% to ₹ 12.05 as compared to ₹ 13.28 in financial year 2014 - 15.

5. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As on 31 March, 2016, the Company has 15 subsidiaries (comprising of 10 direct subsidiaries and 5 indirect subsidiaries) as listed below:

- ⊙ Eros International Films Private Limited (Direct Subsidiary)
- ⊙ Big Screen Entertainment Private Limited (Direct Subsidiary)
- ⊙ EM Publishing Private Limited (Direct Subsidiary)
- ⊙ EyeQube Studios Private Limited (Direct Subsidiary)
- ⊙ Eros Animation Private Limited (Direct Subsidiary)
- ⊙ Colour Yellow Productions Private Limited (Direct Subsidiary)
- ⊙ Digicine PTE Limited (Direct Subsidiary)
- ⊙ Universal Power Systems Private Limited ("Techzone")* (Direct Subsidiary)
- ⊙ Copsale Limited (Direct Subsidiary)

Directors' Report (contd.)

- ⊙ Ayngaran International Limited (Indirect Subsidiary)
- ⊙ Ayngaran International UK Limited (Indirect Subsidiary)
- ⊙ Ayngaran International Mauritius Limited (Indirect Subsidiary)
 - ⊙ Ayngaran International Media Private Limited (Indirect Subsidiary)
 - ⊙ Ayngaran Anak Media Private Limited (Indirect Subsidiary)
- ⊙ Eros International Distribution LLP (Direct Subsidiary)**

* Universal Power Systems Private Limited ("Techzone") became wholly owned subsidiary of the Company w.e.f. 1 August, 2015.

** Eros International Distribution LLP was incorporated on 11 December, 2015.

None of the subsidiary companies is material non-listed Indian subsidiary as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "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. Further, there are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013. There has been no material change in the nature of the business of the Company and its subsidiaries.

In accordance with Section 129(3) of the Companies Act, 2013, a consolidated and standalone financial statements of the Company and all its subsidiaries are prepared in accordance with applicable accounting standards and Schedule III of the Companies Act 2013; and the same forms part of this Annual Report. Further, the report on the performance and financial position of each of the subsidiary and salient features of the financial statements in the prescribed Form AOC-I is annexed to this Report as Annexure A.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of each of the subsidiary shall be kept open for inspection at the Corporate Office of the Company during working hours for a period of 21 days

before the date of the Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same and it shall also make available these documents on website of the Company www.erosintl.com.

6. INDIAN ACCOUNTING STANDARDS (IND AS)- IFRS CONVERGED STANDARDS

The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated 16 February, 2015 has notified the Companies (Indian Accounting Standard) Rules, 2015. In pursuance of this notification, the Company and its subsidiaries would adopt Ind AS for the accounting period beginning from 1 April, 2016.

7. BOARD OF DIRECTORS

During the year under review, Dr. Shankar Nath Acharya, Non Executive Independent Director, resigned from the Board w.e.f. 30 April, 2015 and the Board of directors placed on record its sincere appreciation for Dr. Shankar Nath Acharya for the significant contributions and valuable guidance received by him during his tenure with the Company. The Company wished him all the best for his future endeavours.

Mr. Rakesh Sood was appointed as an Additional Independent Director by the Board w.e.f. 1 May, 2015. The shareholders of the Company at their meeting held on 3 September, 2015 approved the appointment of Mr. Rakesh Sood as an Independent Director of the Company for a first term of five (5) years and to hold the office till the conclusion of Annual General Meeting (AGM) to be held in the calendar year 2020.

Mr. Sunil Lulla was re-appointed as an Executive Vice Chairman & Managing Director, not liable to retire by rotation, for a period of five (5) years commencing from 28 September, 2015 to 27 September, 2020, at the said AGM.

Ms. Jyoti Deshpande was re-appointed as an Executive Director of the Company by the shareholders at the AGM held during the year, for a period of (five) 5 years commencing from 1 October, 2015 to 30 September, 2020.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and applicable rules thereto, Mr. Vijay Ahuja, Non-Executive Non Independent Director of the Company, retires by rotation and

has expressed his unwillingness to be reappointed as Director at the ensuing Annual General Meeting. Your Board recommends that the vacancy created on account of retiring director shall not be filled in and the number of the Board of Directors be reduced accordingly.

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.

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/criterias 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.

Meetings conducted during the year

The Board met seven (7) 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 the 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 at www.erosintl.com and are stated in brief in Corporate Governance Report attached to and forming part of this Report.

Annual Evaluation of Board, Committees and Individual Directors

In accordance with the SEBI Listing Regulations, Companies Act 2013 and Board Evaluation Policy of the Company, a formal annual evaluation was carried out by the Board.

Various evaluators, except evaluatees, evaluated the performance of the overall Board, its members and Board committees. Such evaluation was based on the evaluation criteria identified by Nomination and Remuneration Committee in consultation with the Board of Directors and various Committees. The performance evaluation was done in an independent and fair manner. Evaluators follows the ideal evaluation process that includes filing and deliberations of evaluation rating sheet followed by individual interviews and explanations. Results of all types of evaluation are consolidated in a report along with the final ratings and placed before the Board for its deliberation and action plan.

Familiarization Programme for Independent Directors during the year

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

8. KEY MANAGERIAL PERSONNEL

During the year, there was no change in Key Managerial Personnel.

9. POLICY ON APPOINTMENT AND REMUNERATION AND OTHER DETAILS OF DIRECTORS

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 B hereto and forms part of this Report.

10. EMPLOYEES' STOCK OPTION SCHEME

The Nomination and Remuneration Committee of the Board of Directors, inter alia, administers and monitors the Employees Stock Option Scheme of the

Directors' Report (contd.)

Company which is in accordance with the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines') and in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014.

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

During the year, the Board of Directors of the Company, on the recommendations of Nomination and Remuneration Committee, granted additional 966,009 stock options to its existing employees and new joinees during the financial year and also issued and allotted 180,920 Equity shares to its employees in various tranches against exercise of equivalent stock options granted to them.

11. ISSUE OF EQUITY SHARES

During the year, the Company issued and allotted 180,920 equity shares to its employees against exercise of equivalent stock options and 900,970 equity shares on preferential basis as non cash consideration to the promoters of Universal Power Systems Private Limited ("UPSPL") towards acquisition of 100% stake in UPSPL.

As on 31 March, 2016, the paid up capital of the Company stood at ₹ 935,891,640/- as compared to ₹ 925,072,740/- as on 31 March, 2015, an increase of ₹ 10,818,900/- during the year under review.

12. AUDITORS & AUDITORS' REPORT

In accordance with Section 139 of the Companies Act, 2013 and rules made thereunder, M/s Walker Chandiook & Co LLP, Chartered Accountants, Mumbai,

(Registration No. – 001076N/N500013) have been appointed as Statutory Auditors to hold office from the conclusion of the 20th Annual General Meeting (AGM) till the conclusion of the 23rd Annual General Meeting of the Company, which will be held in 2017 (subject to ratification of their appointment by the members at every AGM held after the AGM in which the appointment was made) on a remuneration as may be agreed upon by the Board of Directors and the Auditors.

A certificate from the auditors has been received to the effect that their appointment, if ratified, 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. Being eligible, it is proposed to the shareholders to ratify the appointment of Auditors from conclusion of this AGM till conclusion of next AGM.

The auditors' report to the shareholders for the audited financial statements of the Company, both standalone and consolidated, under review does not contain any qualifications, reservations or adverse remarks. The notes to the Accounts referred to in the auditor's Report are self-explanatory and therefore do not call for any further explanation.

13. SECRETARIAL AUDIT REPORT

The Board has appointed M/s Makarand M. Joshi & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2015 - 16. The Secretarial Audit Report for the financial year 2015 - 16 in form MR-3 is annexed herewith as Annexure D to this Report, which is self-explanatory. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

14. 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]
2	Short term Facilities	CARE	CARE A2+ [A Two Plus]
3	Proposed Non- Convertible Debentures (that may be issued by the Company in future depending on various factors)	CARE & ICRA	CARE A [Single A] & ICRA A+ [A Plus]
4	Commercial Papers/ Short Term Debt	CARE	CARE A2+ [A Two Plus]

15. 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.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

The particulars of loans, guarantees and investments made /given by the Company in the year 2015 - 16 as per Section 186 of the Companies Act, 2013 is stated in the Notes to Account which forms part of this Annual Report.

17. RELATED PARTY TRANSACTIONS

In compliance with the SEBI Listing Regulations, the Company has a policy for dealing in transactions with Related Party and the same has been displayed on the Company's website www.erosintl.com.

Pursuant to Section 134 of the Companies Act, 2013 and Rules made thereunder, particulars of transactions with related parties as required under Section 188 (1) of the Companies Act, 2013, in the prescribed Form AOC-2 is annexed herewith as Annexure F.

18. VIGIL MECHANISM

Your Company has established a Vigil Mechanism Policy for its directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud. Protected disclosures can be made by a whistle blower in writing to the Ombudsman on email ID whistleblower@erosintl.com and under the said mechanism, no person has been denied direct access to the chairperson of the Audit Committee. The Vigil Mechanism Policy is available on the Company's website at www.erosintl.com.

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

Your Company has formulated and implemented Anti Sexual Harassment Policy in accordance with Section 21 and 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to protect the interest of 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, 2015)	Nil
Number of complaints filed during the year	Nil
Number of cases pending as on the end of the financial year (31 March, 2016)	Nil

20. EXTRACT OF THE ANNUAL RETURN

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

21. INSURANCE

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

22. DEPOSITS, LOANS AND ADVANCES

Your Company has not accepted any Public Deposits falling within the purview of Section 73 of the Companies Act, 2013. As such, no amount on account of principal or interests on public deposits was outstanding, as on 31 March, 2016. 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.

23. 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:

- a. in the preparation of the annual accounts, the applicable accounting standards has been followed along with the proper explanation relating to material departures;
- b. 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, 2016 and of the profit of the Company for the period ended on that date;

Directors' Report (contd.)

- c. 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;
- d. the annual accounts have been prepared on a going concern basis;
- e. internal financial controls were followed by the Company and they are adequate and are operating effectively; and
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE

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

Particulars of foreign currency earnings and outgo are as under:

Particulars	₹ in lakhs)	
	Year ended 31 March, 2016	Year ended 31 March, 2015
Expenditure in foreign currency	221	321
Earnings in foreign currency	20,894	44,299
CIF Value of Imports	-	-

25. 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 devised systems/ frameworks which are operating within the Company. In line with best practice, the Board regularly reviews the internal control system to ensure that it remains effective and fit for purpose.

Where weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls and these are in turn reviewed at regular intervals.

The Company has developed stringent internal control systems in its various business processes, commensurate with the size and nature of its business. The term of M/s. Ernst & Young LLP, Chartered Accountants, Internal Auditor expired on 31 October, 2015. Thereafter, the Board of Directors at its meeting held on 9 November, 2015 appointed M/s KPMG, Chartered Accountants as an internal auditor with effect from 1 November, 2015.

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

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

26. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India in letter and spirit. Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from M/s. Makarand M. Joshi & Co., Company Secretaries confirming compliance with the requirements of SEBI Listing Regulations forms part of this Report.

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

28. LISTING OF SHARES

The shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

Subsequent to the notification of SEBI Listing Regulations during the year, the Company has entered into "Uniform Listing Agreement" with both the Stock Exchanges where its securities are listed,

namely, National Stock Exchange of India Limited and BSE Limited in order to carry out a novation of the erstwhile Listing Agreement.

29. CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors at its meeting held on 9 November, 2015 has modified the Corporate Social Responsibility Policy of the Company to the extent of broadening its CSR objectives, which was duly reviewed and recommended by CSR Committee.

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.

During the financial year 2015 - 16, the Company made total CSR contribution of ₹ 10 lakhs to “NGO Arpan”, out of total statutory requirement of ₹ 374 lakhs (being 2% of average net profit of last three years). The amount contributed to NGO Arpan was utilised for the project personal safety and education programme in schools for dealing with child sexual abuse. It aims at enabling and empowering the children to protect themselves from sexual abuse. It focuses on teaching personal safety skills to the children’s in schools, so that they can identify and seek help in an unsafe situation. It also involves awareness building and skill enhancement of adults like parents, teachers and institutional caretakers who are primary stakeholders and caregivers in a child’s life. Such information and skills for children, parents and caregivers are enhanced through various workshops.

The Company has also contributed ₹ 10 lakhs to “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 select district of Uttar Pradesh.

30. RISK MANAGEMENT

The Audit Committee of the Board has been vested with powers and functions relating to Risk Management which inter alia includes (a) review of risk management policies and business processes to ensure that the business processes adopted and transactions entered into by the Company are designed to identify and mitigate potential risk;

(b) laying down procedures relating to Risk assessment and minimization. The Audit Committee regularly reviews the risk in accordance with Risk Management Policy of the Company.

31. 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.

32. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE

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.

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

For and on behalf of the Board of Directors

Sunil Lulla
Executive Vice Chairman
and Managing Director

Naresh Chandra
Chairman -
Independent Director

Place : Mumbai
Date : 27 May, 2016

Annexure A

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sr. No	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Eros International Films Private Limited	31-March-2016	INR	1 200,000,000	(50,200,664)	893,669,876	893,669,876	1	34,259,818	23,167,713	867,396	22,300,317	Nil	99.65%
2	Copsale Limited	31-March-2016	USD	4,495,000	4,977,318,554	8,582,011,497	8,582,011,497	-	3,208,826,032	969,387,720	-	969,387,720	Nil	100.00%
3	Big Screen Entertainment Private Limited	31-March-2016	INR	1 100,000	10,089,148	40,062,018	40,062,018	-	-	(7,663,907)	-	(7,663,907)	Nil	64.00%
4	EyeQube Studios Private Limited	31-March-2016	INR	1 100,000	4,982,154	7,031,756	7,031,756	-	-	(866,635)	-	(866,635)	Nil	99.99%
5	Ayngaran International Limited (IOM)	31-March-2016	USD	7,994	(59,387,077)	1,301,218,363	1,301,218,363	-	-	(6,887,870)	-	(6,887,870)	Nil	51.00%
6	Ayngaran International (Mauritius) Limited	31-March-2016	USD	291,428	280,328,359	1,764,294,089	1,764,294,089	-	104,812,540	(6,942,014)	-	(6,942,014)	Nil	100.00%
7	Ayngaran International (UK) Limited	31-March-2016	GBP	95,1615	(554,417,006)	757,008,729	757,008,729	-	154,308,792	(153,241,115)	-	(153,241,115)	Nil	100.00%
8	Ayngaran International Media Private Limited	31-March-2016	INR	1 219,000	(69,750,447)	587,078,714	587,078,714	-	381,106,896	(336,019)	-	(336,019)	Nil	100.00%
9	Ayngaran Anak Media Private Limited	31-March-2016	INR	1 2,000,000	(3,555,392)	5,311,106	5,311,106	-	2,325,178	(1,340,739)	-	(1,340,739)	Nil	51.00%
10	EM Publishing Private Limited	31-March-2016	INR	1 100,000	(1,795,469)	1,816,749	1,816,749	-	1,447,258	195,030	75,865	119,165	Nil	99.00%
11	Eros Animation Private Limited	31-March-2016	INR	1 100,000	(126,061)	20,643	20,643	-	-	(36,022)	-	(36,022)	Nil	100.00%
12	Digitine Pte Ltd	31-March-2016	USD	66,1753	4,045	1,659,163,092	1,659,163,092	-	199,454,433	41,624,105	(582,360)	42,206,465	Nil	100.00%
13	Universal Power Systems Private Limited	31-March-2016	INR	1 100,000	143,760,566	484,123,819	484,123,819	16,547	275,988,832	(16,267,226)	(158,395)	(16,108,831)	Nil	100.00%
14	Colour Yellow Productions Private Limited	31-March-2016	INR	1 100,000	204,989,079	609,664,416	609,664,416	-	619,042,019	316,822,320	109,520,215	207,302,106	Nil	50.00%

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 B

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

A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015 - 16 is as follows:

Name of Director	Total remuneration (Amt in ₹)	Ratio of remuneration of director to the Median remuneration
Mr. Naresh Chandra	6,905,000	64.23
Mr. Dhirendra Swarup	3,892,500	36.21
Mr. Rakesh Sood	800,000	7.44
Dr. Shankar Nath Acharya	3,092,500	28.77
Mr. Sunil Lulla	42,234,400	392.88
Mr. Kishore Lulla	10,541,520	98.06
Ms. Jyoti Deshpande	9,583,200	89.15
Mr. Vijay Ahuja	Nil	-

Notes:

- The above information is on standalone basis.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2015 - 16.
- The remuneration to Directors includes sitting fees paid to them for the financial year 2015 - 16.
- Dr. Shankar Nath Acharya, Non Executive Independent Director resigned from the office as such w.e.f. 30 April, 2015 and Mr. Rakesh Sood was appointed by the Board of Directors as an additional Independent Director w.e.f. 1 May, 2015. Further the appointment of Mr. Rakesh Sood was regularized by the Shareholders at their meeting held on 3 September, 2015.

B. Percentage increase in reumeration of each Director, Chief Financial Officer and Company Secretary in the financial year 2015 - 16 are as follows:

Name of Director	Designation	Remuneration (in ₹)		Increase in %
		2015 - 16	2014 - 15	
Mr. Naresh Chandra	Non Executive Independent Director	6,905,000	5,740,000	20.30
Mr. Dhirendra Swarup	Non Executive Independent Director	3,892,500	3,230,000	20.51
Mr. Rakesh Sood*	Non Executive Independent Director	800,000	-	-
Dr. Shankar Nath Acharya*	Non Executive Independent Director	3,092,500	3,070,000	0.73
Mr. Sunil Lulla	Executive Vice Chairman & Managing Director	42,234,400	38,507,600	9.68
Mr. Kishore Lulla	Executive Director	10,541,520	9,583,200	10.00
Ms. Jyoti Deshpande	Executive Director	9,583,200	8,712,000	10.00
Mr. Vijay Ahuja	Non Executive Non Independent Director	-	-	-
Mr. Dinesh Modi	Chief Financial Officer	8,125,000	2,916,666**	-**
Ms. Dimple Mehta	Company Secretary & Compliance Officer	3,738,517	2,776,404	34.65

Notes:

*Dr. Shankar Nath Acharya, Non Executive Independent Director resigned from the office as such w.e.f. 30 April, 2015 and Mr. Rakesh Sood was appointed by the Board of Directors as an additional Independent Director w.e.f. 1 May, 2015. Further, the appointment was regularized by the Shareholders at their meeting held on 3 September, 2015.

** Mr. Dinesh Modi was appointed as Chief Financial Officer w.e.f. 25 November, 2014. Accordingly, the remuneration shown is for the part of the financial year 2014 - 15 and hence the figures are not comparable.

C. Percentage increase in the median remuneration of employees in the financial year 2015-16:

Particulars	2015 - 16 (₹)	2014 - 15 (₹)	% Change
Median Remuneration of all employees per annum	107,499	109,167	-1.53

D. Number of permanent employees on the rolls of the Company as on 31 March, 2016 :

As on 31 March, 2016, the Company has 311 permanent employees on its payroll, as compared to 282 employees as at 31 March, 2015.

Annexure B (contd.)

E. Explanation on the relationship between average increase in remuneration and Company's performance:

There was no increase in salary in FY 2015 - 16. Hence, the average increase of remuneration of all employees in the Company in the FY 2015 - 16 was nil as compared to financial year 2014 - 15.

The highlight of Company's performance are:

	2015 - 16	2014 - 15	Growth
Net Revenue from Operations	117,868	107,170	10%
Profit Before tax and Exceptional Items	18,130	19,787	-8%
Profit After Tax	11,319	12,419	-9%

₹ in lakhs

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

F. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

	Mr. Sunil Lulla	Mr. Dinesh Modi	Ms. Dimple Mehta
Remuneration to KMP in FY 16	42,234,400	8,125,000	3,738,517
Profit Before Tax (PBT)	1,813,031,511		
Remuneration of KMP (as % of PBT)	2.33%	0.45%	0.21%

Amt in ₹

G. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	As on 31 March, 2016	As on 31 March, 2015	% change
Market capitalization (₹ in crores)	1,578	3,710	-57%
Price Earning Ratio	13.88	29.79	-53%

H. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	% change
Market Price as on 31 March, 2016 (₹)	168.65
Price at the time of initial public offer in 2010 (₹)	176
% increase of Market Price over the price at the time of initial public offer	-4.18%

Note: Closing share price on National Stock Exchange of India Limited (NSE) has been used in the above table.

I. Comparison of average percentile increase in salary of employees other than the Key Managerial Personnel and the percentage increase in the key managerial remuneration:

Particulars	2015 - 16 (₹)	2014 - 15 (₹)	% change
Average salary of all employees (other than Key Managerial Personnel)	27,908,084	16,841,425	65.71%*

* The above figures are not comparable as there was no increase in the salary of all employees other than Executive Directors of the Company. However, on account of exercise of stock options by respective employees the remuneration have increased by 65.71% which is equivalent to their requisite amount.

J. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:

	2015 - 16 (₹)	2014 - 15 (₹)	% change
Remuneration of Executive Vice Chairman and Managing Director	42,234,400	38,507,600	9.68%
Remuneration of CFO	8,125,000	18,826,393*	-
Remuneration of Company Secretary	3,738,517	2,776,404	34.65%#

* Includes the remuneration of earlier CFO for part of the year. Hence, not comparable

Includes requisite amount on account of exercise of stock options

K. Key parameters for the variable component of remuneration availed by the directors:

The Members of the Company at their AGM held on 3 September, 2015 approved payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided each year by the board of Directors based on the recommendations made by the Nomination and Remuneration Committee considering various factors viz. attendance, contribution at the board and committee meetings, time spent on operational matters etc.

L. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

None

M. Affirmation:

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

Annexure C

SUMMARY OF INFORMATION ON STOCK OPTION

Grant dates	(A) 17-Dec-09	(B) 12-Aug-10	(C) 01-Jul-12	(D) 14-Oct-13	(E) 12-Nov-14	(F) 12-Feb-15	(G) 09-Feb-16	Total
(a) Options Granted during the year 2009 - 10 (Refer to Column A), Options Granted during the year 2010 - 11 (refer Column B), Options Granted during the year 2012 - 13 (refer Column C), Options Granted during the year 2013 - 14 (refer column D), Options Granted during the year 2014 - 15 (refer column E), Options Granted during the year 2014 - 15 (refer column F), Options Granted during the year 2015 - 16 (refer column G)	1,729,512	83,628	571,160	300,000	552,961	139,000	966,009	4,342,270
(b) Pricing Formula								
Discount to Fair Value	At a Discount ranging from Nil to 50% to Fair value (₹ 175/-)	At a Discount ranging from 20% to 50% to Fair value (₹ 175/-)	At a Discount of 57.15% to Fair Value (₹ 175/-)	At Nil Discount to Fair Value	At a Discount of 94 % to Fair Value (₹ 284/-)	At a Discount of 96% to Fair Value (₹ 279/-)	At a Discount of 95% to Fair Value (₹ 200/-)	
(c) Options vested	1,046,552	79,128	571,160	90,000	149,964	6,000	-	1,942,804
(d) Options exercised	1,010,747	76,128	-	60,000	128,319	6,000	-	1,281,194
(e) Total number of shares arising as a result of exercise of options	1,010,747	76,128	-	60,000	128,319	6,000	-	1,281,194
(f) Options lapsed (as at 31 March, 2016)	709,004	7,500	-	120,000	27,357	1,000	-	864,861
(g) Variation of terms options	Fair Market value of ESOP 2009 scheme is revised from ₹ 200 to ₹ 175 vide Postal Ballot dt 21 December, 2010	Fair Market value of ESOP 2009 scheme is revised from ₹ 200 to ₹ 175 vide Postal Ballot dt 21 December, 2010	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
(h) Money realized by exercise of options (upto 31 March, 2016)	138,152,225	6,609,600	-	9,000,000	1,283,190	60,000	-	155,105,015
(I) Total number of options in force (as at 31 March, 2016)	9,761	-	571,160	120,000	397,285	132,000	966,009	2,196,215

Grant dates	(A)		(B)		(C)		(D)		(E)		(F)		(G)		Total
	17-Dec-09	12-Aug-10	12-Aug-10	01-Jul-10	01-Jul-12	14-Oct-13	14-Oct-13	12-Nov-14	12-Feb-15	09-Feb-16	09-Feb-16	09-Feb-16	09-Feb-16	09-Feb-16	
(j) 1 Employee wise details of options granted to Senior Management	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	
2 Employees to whom more than 5% options granted during the year	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	Detailed below	
3 Employees to whom options more than 1% of issued capital granted during the year	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
(k) Diluted EPS, pursuant to issue of shares on exercise of options	The diluted EPS will be ₹ 12.05 per share, lower by ₹ 0.10														
(l) 1 Method of calculation of employee compensation cost	Calculation is based on intrinsic value method														
2 Intrinsic Value per share (in ₹)	28.09	88.18	100.00	-	282.35	376.20	189.95								
3 Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	Employee compensation cost would have been higher by ₹ 68 lakhs during the year, had the Company used fair value method for accounting the options issued under ESOP 2009.														
4 Impact of this difference on Profits and on EPS of the Company	Profits would have been lower by ₹ 68 lakhs and E.P.S. would have been lower by ₹ 0.10 during the year, had the Company used fair value method of accounting the options issued under ESOP 2009.														
(m) 1 Weighted average exercise price (in ₹)	118.42	91.14	75.00	150.00	10.00	10.00	10.00								
2 Weighted average fair value of options based on Black Scholes methodology (in ₹)	114.64	95.25	122.19	55.49	284.07	379.69	189.19								
(n) Significant assumptions used to estimate fair value of options including weighted average															
1 Risk free interest rate	6.30%	6.50%	8.36%	8.57%	8.50%	7.74%	7.59%								
2 Expected life	5.25 years	5.25 years	5.5 years	4.5 years	3.0- 4.5 years	3.5- 6.5 years	3.5- 5.5 years								
3 Expected volatility (based in competitor companies volatility)	75%	60%	44%	35%	37.84%	40.11%	46.46%								
4 Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil								
5 Closing market price of share on a date prior to date of grant (Fair market value in absence of listing) (in ₹)	175	175	168.65	144.75	291.45	386.3	199.95								

Options granted to Senior Management Personnel (including more than 5%) during the year	Options Granted	Option Exercised	Options Lapsed	Options in force
Grant Dated 9 February, 2016				
Mr. Dinesh Modi	24,000	-	-	24,000
Ms. Dimple Mehta	13,416	-	-	13,416

Annexure D

**FORM NO. MR - 3
SECRETARIAL AUDIT REPORT**

For The Financial Year Ended 31 March, 2016

**[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 - 400053.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2016 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, 1992/ 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 during the audit period)
 - (d) The Securities and Exchange Board of India (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 notified on 28 October, 2014 and its amendments notified on 18 September, 2015.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable 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 during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable 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 (Notified with effect from 1 July, 2015).
- (ii) The Listing Agreements entered into by the Company with stock exchanges and SEBI (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 the Company has made delay in filling of Annual Return on Foreign liabilities and Assets and Form-APR for the year ended 31 March, 2015.

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:

- ⦿ The Cinematograph Act, 1952
- ⦿ The West Bengal (Compulsory Censorship of Film Publicity Materials) Act, 1974
- ⦿ 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 1,80,920 Equity Shares having Face Value of ₹ 10/- each aggregating to ₹ 18,09,200/- 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 notified on 28 October, 2014.
- ⦿ The Company has also allotted 9,00,970 Equity Shares having Face Value of ₹ 10/- each against acquisition of Universal Power Systems Private Limited.

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

Makarand Joshi
Partner
FCS No. 5533
CP No. 3662

Place : Mumbai
Date : 27 May 2016

Annexure E

PARTICULARS OF EMPLOYEES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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	42,234,400	Bachelor of Commerce	25 yrs +	29-Aug-94	52 Years	-	1,400	0	Brother of Mr. Kishore Lulla and Co-brother of Mr. Vijay Ahuja
2	Mr. Kishore Lulla	Executive Director	10,541,520	Bachelor of Arts	30 yrs +	1-Nov-11	54 Years	-	NIL	0	Brother of Mr. Sunil Lulla and Co-brother of Mr. Vijay Ahuja
3	Mr. Ajit Thakur	CEO - Eros Next	17,860,008	Bachelor of Arts, Masters in Business Administration	15 yrs +	2-Feb-15	43 Years	Star (I) Ltd.	NIL	0	-
4	Ms. Jyoti Deshpande	Executive Director	9,583,200	Masters in Business Administration	23 yrs +	1-Jul-12	45 Years	MindShare UK	142,790	0.15	-
5	Mr. Aamod Gupte*	Head - Legal	8,500,000	L.L.B, B.A., Diploma in Marketing Management	24 yrs +	15-Apr-15	48 Years	Media Law Office/ Indus Lexus	NIL	0	-
6	Ms. Krishika Lulla	Creative Producer	8,405,000	Bachelor of Arts	5 yrs +	1-Jan-14	44 Years	-	1,400	0	Spouse of Mr. Sunil Lulla
7	Mr. Nandu Ahuja	SR VP - India Theatrical	8,369,841	Bachelor of Commerce	34 yrs +	27-Jan-09	53 Years	Balaji Motion Pictures Limited	188	0	-
8	Mr. Dinesh Modi	Chief Financial Officer	8,125,000	Chartered Accountant and Certified Public Accountant	15 yrs +	11-Nov-14	38 Years	Prana Studios Pvt Ltd	NIL	0	-
9	Mr. Zulfikar Khan*	Chief Revenue Officer & Business Unit Head	7,459,355	PGDM, AIMA - DELHI	19 yrs	3-Aug-15	42 Years	Star (I) Ltd.	NIL	0	-
10	Mr. Abhay Bhalerao	Head - Investor Relations	6,580,008	Bachelor of Engineering (Mechanical); Masters in Management Studies in Finance	25 yrs +	12-Jan-15	50 Years	Equirus Capital Private Limited	NIL	0	-
11	Mr. Sameer Gogate	Chief Development Officer	6,580,008	Bachelor of Engineering (Electronics) and Post Gradutate in Marketing	10 yrs +	24-Nov-14	36 Years	Endemol (I) Ltd.	NIL	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 holds more than 2% of the shares of your Company, alongwith their spouse and dependent children

*Employed for part of the financial year 2015-2016.

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:

(a) Name(s) of the related party	Eros World Wide FZ LLC	EM Publishing Private Limited	Universal Power Systems Private Limited	Ayngaran Anak Media Private Limited	Eros International Films Private Limited	Colour Yellow Productions Private Limited	Eros Digital FZ LLC	Eros International Limited	Big Screen Entertainment Private Limited
Nature of relationship	Holding company	Subsidiary company	Subsidiary company	Subsidiary company	Subsidiary company	Subsidiary company	Fellow Subsidiary	Fellow Subsidiary	Subsidiary company
(b) Nature of contracts/ arrangements/ transactions	Sale of film rights, DVD/VCD, Reimbursement of expense	Sale of film rights	Sale of film rights and Reimbursement of expense	Reimbursement of expense	Reimbursement of expense	Purchases of rights	Reimbursement of expense	Purchases of rights	Reimbursement of expense
(c) Duration of the contracts / arrangements/ transactions	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(e) Date(s) of approval by the Board, if any	29-May-15	29-May-15	29-May-15	29-May-15	29-May-15	29-May-15	13-Aug-15	29-May-15	29-May-15
(f) Amount ₹ lakhs	21,315.09	11.80	47.15*	0.36	12.00	6,188.10	375.60	127.20	20.25

* This figure is for the part of financial year 2015 - 16.

Annexure G

EXTRACT OF THE ANNUAL RETURN

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31 March, 2016

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L99999MH1994PLC080502
ii.	Registration Date	19/08/1994
iii.	Name of the Company	Eros International Media Limited
iv.	Category / Sub-Category of the Company	Public Company/ Company having Share Capital
v.	Address of the Registered office and contact details	201, Kailash Plaza, Opp Laxmi Industrial Estate, Off Andheri Link Road, Andheri West, Mumbai - 400 053 Tel No: 91 22 66021500 Fax: 91 22 66021540 Email : compliance.officer@erosintl.com
vi.	Whether listed company Yes/ No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt.Ltd. CIN:U67190MH1999PTC118368 C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (W), Mumbai-400 078. Tel. 91 22 25963838 Fax: 91 22 25946969; E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

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 Add: 15-19 Athol Street, Douglas, Isle of Man IML 1LB British Isles	116107C	Ultimate Holding	100	2(46)
2	Eros Worldwide FZ LLC Add: Office No. 529, Building No. 8, Fifth Floor, Dubai Media City, P.O.Box 502121, Dubai, United Arab Emirates	143	Holding	50.35	2(46)
3	Eros International Films Private Limited Add: 201, Kailash Plaza, 2 nd Floor, Plot No. 12, Off Veera Desai Road, Mumbai - 400 053	U92113MH1994PTC080423	Subsidiary	99.65	2(87)(ii)
4	Copsale Limited (Isle of Man) Add: Offices of Ansbacher (BVI) Limited, P.O. Box 659, Road Town, Tortola, British Virgin Islands	269307	Subsidiary	100	2(87)(ii)

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 Add: 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 Add: 201, Kailash Plaza, 2 nd Floor, Plot No. 12, Off Veera Desai Road, Mumbai - 400 053	U92120MH2007PTC175027	Subsidiary	99.99	2(87)(ii)
7	EM Publishing Private Limited Add: 201, Kailash Plaza, 2 nd Floor, Plot No. 12, Off Veera Desai Road, Mumbai - 400 053	U92140MH2008PTC178628	Subsidiary	99	2(87)(ii)
8	Eros Animation Private Limited Add: 201, Kailash Plaza, 2 nd Floor, Plot No. 12, Off Veera Desai Road, Mumbai - 400 053	U92100MH2008PTC186402	Subsidiary	100	2(87)(ii)
9	Digicine Pte. Limited Add: 80 Raffles Place #26-01 UOB Plaza Singapore 048624	201207959W	Subsidiary	100	2(87)(ii)
10	Ayngaran International Limited (Isle of Man) Add: PO Box 203 St George's Court, Upper Church Street, Douglas,	117883C	Indirect Subsidiary	51	2(87)(ii)
11	Ayngaran International (Marutius) Limited Add: IFS Court, Twenty Eight, Cyber City, Ebene, Mauritius	073444C1/GBL	Indirect Subsidiary	100	2(87)(ii)
12	Ayngaran International UK Limited Add: Milner House, 13 Manchester Square, London, England, W1U 3PP	5957372	Indirect Subsidiary	100	2(87)(ii)
13	Ayngaran International Media Private Limited Add: 147/11, 3rd Floor, Rajparis Trimeni Towers, G. N. Chetty Road, T. Nagar, Chennai, Tamil Nadu - 600 017	U92100TN2007PTC072223	Indirect Subsidiary	100	2(87)(ii)
14	Ayngaran Anak Media Private Limited Add: OLD NO.80, OLD NO.42, New Avadi Road, Kilpauk, Chennai, Tamil Nadu - 600 010	U92100TN2008PTC069493	Indirect Subsidiary	51	2(87)(ii)
15	Colour Yellow Productions Private Limited Add: Flat No. 3402, B Wing, Oberoi Spring CHSL, Off New Link Road, Andheri (West), Mumbai - 400 053	U92412MH2013PTC248167	Subsidiary	50	2(87)(i)
16	Universal Power Systems Private Limited Add: 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 Add: 201, Kailash Plaza, Plot No. A-12, Opp Laxmi Industrial Estate, Andheri West, Mumbai 400 053.	AAF-3133	Subsidiary	99.98	2(87)(ii)

Annexure G (contd.)

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

i. Category-wise Share Holding as on 31 March, 2016

Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2015				No. of Shares held at the end of the year i.e 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
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	23.46	21,700,000	-	21,700,000	23.19	(0.27)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A1)	21,707,000	-	21,707,000	23.47	21,707,000	-	21,707,000	23.20	(0.27)
2. Foreign									
Bodies Corporate	47,126,290	-	47,126,290	50.94	47,126,290	-	47,126,290	50.35	(0.59)
Total Shareholding of Promoters (A1+A2)	68,833,290	-	68,833,290	74.41	68,833,290	-	68,833,290	73.55	(0.86)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	156,696	-	156,696	0.17	54,534	-	54,534	0.06	(0.11)
b) Banks / FI	31,426	-	31,426	0.03	70,540	-	70,540	0.08	0.05
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	735,094	-	735,094	0.79	-	-	-	-	(0.79)
g) FIIs	16,310,367	-	16,310,367	17.63	6,113,741	-	6,113,741	6.53	(11.10)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investors Corporate	1,709,116	-	1,709,116	1.85	4,503,466	-	4,503,466	4.81	2.96
Sub-total (B)(1):	18,942,699	-	18,942,699	20.48	10,742,281	-	10,742,281	11.48	(9)
2. Non-Institutions									
a) Bodies Corp.	1,770,797	-	1,770,797	1.91	2,858,702	-	2,858,702	3.05	1.14
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,999,803	3	1,999,806	2.16	6,777,500	3	6,777,503	7.24	5.08
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	250,772	-	250,772	0.27	2,093,523	-	2,093,523	2.24	7.97
c) Others (specify)									
Non Resident Indians (Repat)	64,873	-	64,873	0.07	338,831	-	338,831	0.36	0.29
Non Resident Indians (Non Repat)	173,160	-	173,160	0.19	215,915	-	215,915	0.23	0.04
Clearing Member	471,877	-	471,877	0.51	1,436,617	-	1,436,617	1.54	1.03
Hindu Undivided Family	-	-	-	-	292,502	-	292,502	0.31	0.31
Trusts	0	-	0	0.00	-	-	-	-	-
Sub-total (B)(2):	4,731,282	3	4,731,285	5.11	14,013,590	3	14,013,593	14.97	9.86
Total Public Shareholding (B)=(B)(1)+ (B)(2)	23,673,981	3	23,673,984	25.59	24,755,871	3	24,755,874	26.45	0.86
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	92,507,271	3	92,507,274	100.00	93,589,161	3	93,589,164	100.00	-

ii. Shareholding of Promoters

	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Share holding at the end of the year 31.03.2016			% 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	50.94	0	47,126,290	50.35	0	(0.59)
3	Eros Digital Private Limited	21,700,000	23.46	0	21,700,000	23.19	0	(0.27)
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

iii. Change in Promoters' Shareholding

	Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year (31-03-2016)	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
At the beginning of the year	68,833,290	74.83	68,833,290	74.40
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.			0
At the end of the year	68,833,290	74.40	68,833,290	73.55

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 01-04-2015		Cumulative Shareholding during the year 31-03-2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Government Pension Fund Global	2,100,000	2.2438		
	Less: 24 Apr 2015 Market Sale	(19,056)	(0.02)	2,080,944	2.25
	Less: 15 May 2015 Market Sale	(7,944)	(0.01)	2,073,000	2.24
	Less: 05 Jun 2015 Market Sale	(30,600)	(0.03)	2,042,400	2.21
	Less: 12 Jun 2015 Market Sale	(75,000)	(0.08)	1,967,400	2.13
	Less: 19 Jun 2015 Market Sale	(21,510)	(0.02)	1,945,890	2.10
	Less: 26 Jun 2015 Market Sale	(11,000)	(0.01)	1,934,890	2.07
	Less: 30 Jun 2015 Market Sale	(9,890)	(0.01)	1,925,000	2.06
	Less: 03 Jul 2015 Market Sale	(20,000)	(0.02)	1,905,000	2.04
	Less: 10 Jul 2015 Market Sale	(85,000)	(0.09)	1,820,000	1.95
	Less: 17 Jul 2015 Market Sale	(40,000)	(0.04)	1,780,000	1.90
	Less: 24 Jul 2015 Market Sale	(16,000)	(0.02)	1,764,000	1.89
	Less: 14 Aug 2015 Market Sale	(14,000)	(0.01)	1,750,000	1.87
	Less: 28 Aug 2015 Market Sale	(15,000)	(0.02)	1,735,000	1.86
	Less: 04 Sep 2015 Market Sale	(25,000)	(0.03)	1,710,000	1.83
	Less: 30 Oct 2015 Market Sale	(6,860)	(0.01)	1,703,140	1.82
	Less: 06 Nov 2015 Market Sale	(70,015)	(0.07)	1,633,125	1.75
	Add: 20 Nov 2015 Market Buy	150,686	0.16	1,783,811	1.91
	Add: 22 Jan 2016 Market Buy	76,189	0.08	1,860,000	1.99
	Add: 05 Feb 2016 Market Buy	29,000	0.03	1,889,000	2.02

Annexure G (contd.)

Sr. No.	For each of the Top 10 Shareholders		Shareholding at the beginning of the year 01-04-2015		Cumulative Shareholding during the year 31-03-2016		
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	Add:	12 Feb 2016	Market Buy	61,000	0.07	1,950,000	2.08
	Add:	04 Mar 2016	Market Buy	150,000	0.16	2,100,000	2.24
	Add:	11 Mar 2016	Market Buy	60,000	0.06	2,160,000	2.31
	At the end of the year (or on the date of separation, if separated during the year)			-	-	2,160,000	2.31
2	Shilpa Stock Brokers Pvt. Ltd.			377,434	0.4033		
	Add:	10 Apr 2015	Market Buy	21,686	0.02	399,120	0.43
	Less:	17 Apr 2015	Market Sale	(10,927)	(0.01)	388,193	0.42
	Less:	24 Apr 2015	Market Sale	(54,785)	(0.06)	333,408	0.36
	Add:	01 May 2015	Market Buy	24,369	0.03	357,777	0.39
	Add:	08 May 2015	Market Buy	54,422	0.06	412,199	0.45
	Add:	15 May 2015	Market Buy	30,480	0.03	442,679	0.48
	Less:	22 May 2015	Market Sale	(12,101)	(0.01)	430,578	0.47
	Less:	29 May 2015	Market Sale	(9,515)	(0.01)	421,063	0.46
	Less:	05 Jun 2015	Market Sale	(7,412)	(0.01)	413,651	0.45
	Add:	12 Jun 2015	Market Buy	11,232	0.01	424,883	0.46
	Less:	19 Jun 2015	Market Sale	(9,622)	(0.01)	415,261	0.45
	Add:	26 Jun 2015	Market Buy	26,086	0.03	441,347	0.47
	Add:	30 Jun 2015	Market Buy	63	0.00	441,410	0.47
	Less:	03 Jul 2015	Market Sale	(49,281)	(0.05)	392,129	0.42
	Less:	10 Jul 2015	Market Sale	(67,352)	(0.07)	324,777	0.35
	Less:	17 Jul 2015	Market Sale	(76,307)	(0.08)	248,470	0.27
	Add:	24 Jul 2015	Market Buy	20,713	0.02	269,183	0.29
	Less:	31 Jul 2015	Market Sale	(35,891)	(0.04)	233,292	0.25
	Less:	07 Aug 2015	Market Sale	(6,100)	(0.01)	227,192	0.24
	Add:	14 Aug 2015	Market Buy	5,630	0.01	232,822	0.25
	Add:	21 Aug 2015	Market Buy	23,500	0.03	256,322	0.27
	Add:	28 Aug 2015	Market Buy	56,626	0.06	312,948	0.33
	Less:	04 Sep 2015	Market Sale	(91,716)	(0.10)	221,232	0.24
	Add:	11 Sep 2015	Market Buy	117,570	0.13	338,802	0.36
	Less:	18 Sep 2015	Market Sale	(934)	(0.00)	337,868	0.36
	Less:	25 Sep 2015	Market Sale	(23,176)	(0.02)	314,692	0.34
	Less:	30 Sep 2015	Market Sale	(38,822)	(0.04)	275,870	0.30
	Add:	09 Oct 2015	Market Buy	12,307	0.01	288,177	0.31
	Add:	16 Oct 2015	Market Buy	15,150	0.02	303,327	0.32
	Less:	23 Oct 2015	Market Sale	(16,005)	(0.02)	287,322	0.31
	Add:	30 Oct 2015	Market Buy	61,656	0.07	348,978	0.37
	Add:	06 Nov 2015	Market Buy	175,206	0.19	524,184	0.56
	Less:	13 Nov 2015	Market Sale	(38,820)	(0.04)	485,364	0.52
	Add:	20 Nov 2015	Market Buy	81,542	0.09	566,906	0.61
	Add:	27 Nov 2015	Market Buy	69,070	0.07	635,976	0.68
	Add:	04 Dec 2015	Market Buy	14,409	0.02	650,385	0.70
	Add:	11 Dec 2015	Market Buy	20,700	0.02	671,085	0.72
	Add:	18 Dec 2015	Market Buy	65,475	0.07	736,560	0.79
	Less:	25 Dec 2015	Market Sale	(23,146)	(0.02)	713,414	0.76
	Add:	31 Dec 2015	Market Buy	13,945	0.01	727,359	0.78
	Add:	01 Jan 2016	Market Buy	9,250	0.01	736,609	0.79
	Add:	08 Jan 2016	Market Buy	10,668	0.01	747,277	0.80
	Add:	15 Jan 2016	Market Buy	95,530	0.10	842,807	0.90
	Less:	22 Jan 2016	Market Sale	(17,988)	(0.02)	824,819	0.88

Sr. No.	For each of the Top 10 Shareholders		Shareholding at the beginning of the year 01-04-2015		Cumulative Shareholding during the year 31-03-2016		
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	Add:	29 Jan 2016	Market Buy	37,849	0.04	862,668	0.92
	Add:	05 Feb 2016	Market Buy	42,542	0.05	905,210	0.97
	Less:	12 Feb 2016	Market Sale	(31,303)	(0.03)	873,907	0.93
	Add:	19 Feb 2016	Market Buy	12,292	0.01	886,199	0.95
	Add:	26 Feb 2016	Market Buy	49,947	0.05	936,146	1.00
	Add:	04 Mar 2016	Market Buy	57,559	0.06	993,705	1.06
	Add:	11 Mar 2016	Market Buy	23,164	0.02	1,016,869	1.09
	Add:	18 Mar 2016	Market Buy	67,151	0.07	1,084,020	1.16
	Add:	25 Mar 2016	Market Buy	189,339	0.20	1,273,359	1.36
	Less:	31 Mar 2016	Market Sale	(34,461)	(0.04)	1,238,898	1.32
	At the end of the year (or on the date of separation, if separated during the year)			-	-	1,238,898	1.32
3	National Westminster Bank Plc as trustee of the Jupiter India Fund			1,089,857	1.1645		
	Add:	01 May 2015	Market Buy	148,993	0.16	1,238,850	1.34
	Less:	10 Jul 2015	Market Sale	(620,000)	(0.66)	618,850	0.66
	Less:	24 Jul 2015	Market Sale	(140,974)	(0.15)	477,876	0.51
	Add:	06 Nov 2015	Market Buy	119,192	0.13	597,068	0.64
	Add:	13 Nov 2015	Market Buy	199,272	0.21	796,340	0.85
	At the end of the year (or on the date of separation, if separated during the year)			-	-	796,340	0.85
4	Danske Invest SICAV-SIF- Emerging And Frontier Markets SMID			1,140,770	1.2189		
	Less:	24 Apr 2015	Market Sale	(25,000)	(0.03)	1,115,770	1.21
	Less:	12 Jun 2015	Market Sale	(59,171)	(0.06)	1,056,599	1.14
	Less:	19 Jun 2015	Market Sale	(40,000)	(0.04)	1,016,599	1.10
	Less:	26 Jun 2015	Market Sale	(25,000)	(0.03)	991,599	1.06
	Less:	03 Jul 2015	Market Sale	(19,000)	(0.02)	972,599	1.04
	Less:	10 Jul 2015	Market Sale	(37,600)	(0.04)	934,999	1.00
	Less:	17 Jul 2015	Market Sale	(34,000)	(0.04)	900,999	0.96
	Less:	24 Jul 2015	Market Sale	(20,000)	(0.02)	880,999	0.94
	Less:	31 Jul 2015	Market Sale	(50,999)	(0.05)	830,000	0.89
	Less:	28 Aug 2015	Market Sale	(30,000)	(0.03)	800,000	0.86
	Less:	04 Sep 2015	Market Sale	(45,000)	(0.05)	755,000	0.81
	Less:	11 Sep 2015	Market Sale	(13,500)	(0.01)	741,500	0.79
	Less:	18 Sep 2015	Market Sale	(23,100)	(0.02)	718,400	0.77
	Less:	30 Sep 2015	Market Sale	(15,000)	(0.02)	703,400	0.75
	Less:	09 Oct 2015	Market Sale	(10,000)	(0.01)	693,400	0.74
	Less:	16 Oct 2015	Market Sale	(5,000)	(0.01)	688,400	0.74
	Less:	30 Oct 2015	Market Sale	(5,000)	(0.01)	683,400	0.73
	Less:	20 Nov 2015	Market Sale	(15,000)	(0.02)	668,400	0.71
	Less:	27 Nov 2015	Market Sale	(32,100)	(0.03)	636,300	0.68
	At the end of the year (or on the date of separation, if separated during the year)			-	-	636,300	0.68
5	Morgan Stanley Asia (Singapore) Pte.			996,240	1.0645		
	Add:	10 Apr 2015	Market Buy	35,331	0.04	1,031,571	1.12
	Add:	17 Apr 2015	Market Buy	11,138	0.01	1,042,709	1.13
	Less:	24 Apr 2015	Market Sale	(3,056)	(0.00)	1,039,653	1.12
	Add:	01 May 2015	Market Buy	1,235	0.00	1,040,888	1.12
	Add:	08 May 2015	Market Buy	24,000	0.03	1,064,888	1.15

Annexure G (contd.)

Sr. No.	For each of the Top 10 Shareholders		Shareholding at the beginning of the year 01-04-2015		Cumulative Shareholding during the year 31-03-2016		
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	Add:	15 May 2015	Market Buy	42,509	0.05	1,107,397	1.20
	Less:	22 May 2015	Market Sale	(28,481)	(0.03)	1,078,916	1.17
	Less:	29 May 2015	Market Sale	(55,280)	(0.06)	1,023,636	1.11
	Add:	05 Jun 2015	Market Buy	40,356	0.04	1,063,992	1.15
	Less:	12 Jun 2015	Market Sale	(3,939)	(0.00)	1,060,053	1.15
	Add:	19 Jun 2015	Market Buy	32,473	0.04	1,092,526	1.18
	Add:	26 Jun 2015	Market Buy	88,754	0.09	1,181,280	1.26
	Add:	30 Jun 2015	Market Buy	69,082	0.07	1,250,362	1.34
	Add:	03 Jul 2015	Market Buy	178,080	0.19	1,428,442	1.53
	Add:	10 Jul 2015	Market Buy	7,241	0.01	1,435,683	1.54
	Add:	17 Jul 2015	Market Buy	307,942	0.33	1,743,625	1.87
	Add:	24 Jul 2015	Market Buy	107,035	0.11	1,850,660	1.98
	Add:	31 Jul 2015	Market Buy	6,042	0.01	1,856,702	1.99
	Add:	07 Aug 2015	Market Buy	2,326	0.00	1,859,028	1.99
	Less:	14 Aug 2015	Market Sale	(164,553)	(0.18)	1,694,475	1.81
	Less:	21 Aug 2015	Market Sale	(444,236)	(0.48)	1,250,239	1.34
	Less:	28 Aug 2015	Market Sale	(246,231)	(0.26)	1,004,008	1.07
	Less:	04 Sep 2015	Market Sale	(121,808)	(0.13)	882,200	0.94
	Less:	11 Sep 2015	Market Sale	(44,552)	(0.05)	837,648	0.90
	Less:	18 Sep 2015	Market Sale	(82,237)	(0.09)	755,411	0.81
	Less:	25 Sep 2015	Market Sale	(46,412)	(0.05)	708,999	0.76
	Add:	09 Oct 2015	Market Buy	3,805	0.00	712,804	0.76
	Less:	16 Oct 2015	Market Sale	(40,086)	(0.04)	672,718	0.72
	Less:	23 Oct 2015	Market Sale	(50,346)	(0.05)	622,372	0.67
	Less:	30 Oct 2015	Market Sale	(32,639)	(0.03)	589,733	0.63
	Add:	06 Nov 2015	Market Buy	48,679	0.05	638,412	0.68
	Add:	13 Nov 2015	Market Buy	2,959	0.00	641,371	0.69
	Less:	20 Nov 2015	Market Sale	(14,155)	(0.02)	627,216	0.67
	Add:	27 Nov 2015	Market Buy	71,119	0.08	698,335	0.75
	Less:	04 Dec 2015	Market Sale	(77,670)	(0.08)	620,665	0.66
	Less:	11 Dec 2015	Market Sale	(137,463)	(0.15)	483,202	0.52
	Less:	18 Dec 2015	Market Sale	(76,876)	(0.08)	406,326	0.43
	Less:	25 Dec 2015	Market Sale	(28,778)	(0.03)	377,548	0.40
	Add:	31 Dec 2015	Market Buy	15,603	0.02	393,151	0.42
	Add:	08 Jan 2016	Market Buy	54,090	0.06	447,241	0.48
	Less:	15 Jan 2016	Market Sale	(67,981)	(0.07)	379,260	0.41
	Less:	22 Jan 2016	Market Sale	(34,446)	(0.04)	344,814	0.37
	Less:	29 Jan 2016	Market Sale	(33,312)	(0.04)	311,502	0.33
	Add:	05 Feb 2016	Market Buy	19,637	0.02	331,139	0.35
	Add:	12 Feb 2016	Market Buy	3,002	0.00	334,141	0.36
	Add:	19 Feb 2016	Market Buy	35,677	0.04	369,818	0.40
	Less:	04 Mar 2016	Market Sale	(509)	(0.00)	369,309	0.39
	Add:	11 Mar 2016	Market Buy	137,791	0.15	507,100	0.54
	Add:	18 Mar 2016	Market Buy	5,015	0.01	512,115	0.55
	Less:	25 Mar 2016	Market Sale	(22,588)	(0.02)	489,527	0.52
	Less:	31 Mar 2016	Market Sale	(16,271)	(0.02)	473,256	0.51
	At the end of the year (or on the date of separation, if separated during the year)			-	-	473,256	0.51
6	Grandeur Peak Global Reach Fund			33,838	0.0362		

Sr. No.	For each of the Top 10 Shareholders			Shareholding at the beginning of the year 01-04-2015		Cumulative Shareholding during the year 31-03-2016	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Add:	22 May 2015	Market Buy	10,490	0.01	44,328	0.05
	Add:	06 Nov 2015	Market Buy	234,500	0.25	278,828	0.30
	Add:	20 Nov 2015	Market Buy	191,500	0.20	470,328	0.50
	At the end of the year (or on the date of separation, if separated during the year)			-	-	470,328	0.50
7	Lalitha Bhandari			490	0.0005		
	Add:	14 Aug 2015	Techzone Acquisition	450,485	0.48	450,975	0.48
	At the end of the year (or on the date of separation, if separated during the year)			-	-	450,975	0.48
8	Mahaveer Bhandari			355	0.0004		
	Add:	14 Aug 2015	Techzone Acquisition	447,782	0.48	448,137	0.48
	At the end of the year (or on the date of separation, if separated during the year)			-	-	448,137	0.48
9	Goldman Sachs (Singapore) Pte			317,090	0.3388		
	Add:	10 Apr 2015	Market Buy	7,135	0.01	324,225	0.35
	Add:	24 Apr 2015	Market Buy	933	0.00	325,158	0.35
	Add:	08 May 2015	Market Buy	5,901	0.01	331,059	0.36
	Add:	15 May 2015	Market Buy	70,261	0.08	401,320	0.43
	Add:	22 May 2015	Market Buy	22,582	0.02	423,902	0.46
	Less:	12 Jun 2015	Market Sale	(69,497)	(0.08)	354,405	0.38
	Less:	19 Jun 2015	Market Sale	(3,439)	(0.00)	350,966	0.38
	Less:	30 Jun 2015	Market Sale	(9,178)	(0.01)	341,788	0.37
	Less:	03 Jul 2015	Market Sale	(41,901)	(0.04)	299,887	0.32
	Less:	10 Jul 2015	Market Sale	(32,458)	(0.03)	267,429	0.29
	Add:	31 Jul 2015	Market Buy	75,862	0.08	343,291	0.37
	Add:	07 Aug 2015	Market Buy	2,208	0.00	345,499	0.37
	Add:	14 Aug 2015	Market Buy	27,749	0.03	373,248	0.40
	Add:	21 Aug 2015	Market Buy	21,244	0.02	394,492	0.42
	Add:	28 Aug 2015	Market Buy	90,526	0.10	485,018	0.52
	Add:	04 Sep 2015	Market Buy	48,914	0.05	533,932	0.57
	Add:	18 Sep 2015	Market Buy	302	0.00	534,234	0.57
	Add:	09 Oct 2015	Market Buy	9,003	0.01	543,237	0.58
	Add:	16 Oct 2015	Market Buy	41,317	0.04	584,554	0.63
	Add:	23 Oct 2015	Market Buy	36,374	0.04	620,928	0.66
	Add:	30 Oct 2015	Market Buy	10,180	0.01	631,108	0.67
	Add:	06 Nov 2015	Market Buy	2,620	0.00	633,728	0.68
	Add:	13 Nov 2015	Market Buy	23,565	0.03	657,293	0.70
	Less:	20 Nov 2015	Market Sale	(106,029)	(0.11)	551,264	0.59
	Less:	27 Nov 2015	Market Sale	(21,298)	(0.02)	529,966	0.57
	Less:	04 Dec 2015	Market Sale	(29,951)	(0.03)	500,015	0.53
	Add:	11 Dec 2015	Market Buy	31,474	0.03	531,489	0.57
	Less:	18 Dec 2015	Market Sale	(24,941)	(0.03)	506,548	0.54
	Add:	25 Dec 2015	Market Buy	42,187	0.05	548,735	0.59
	Add:	31 Dec 2015	Market Buy	66,327	0.07	615,062	0.66
	Add:	08 Jan 2016	Market Buy	33,959	0.04	649,021	0.69
	Less:	15 Jan 2016	Market Sale	(82,699)	(0.09)	566,322	0.61
	Less:	22 Jan 2016	Market Sale	(18,382)	(0.02)	547,940	0.59

Annexure G (contd.)

Sr. No.	For each of the Top 10 Shareholders		Shareholding at the beginning of the year 01-04-2015		Cumulative Shareholding during the year 31-03-2016		
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	Add:	29 Jan 2016	Market Buy	1,193	0.00	549,133	0.59
	Add:	05 Feb 2016	Market Buy	119,227	0.13	668,360	0.71
	Add:	12 Feb 2016	Market Buy	12,510	0.01	680,870	0.73
	Add:	19 Feb 2016	Market Buy	171,016	0.18	851,886	0.91
	Add:	26 Feb 2016	Market Buy	262,470	0.28	1,114,356	1.19
	Less:	04 Mar 2016	Market Sale	(425,796)	(0.45)	688,560	0.74
	Less:	11 Mar 2016	Market Sale	(38,799)	(0.04)	649,761	0.69
	Less:	18 Mar 2016	Market Sale	(7,327)	(0.01)	642,434	0.69
	Less:	25 Mar 2016	Market Sale	(126,076)	(0.13)	516,358	0.55
	Less:	31 Mar 2016	Market Sale	(70,812)	(0.08)	445,546	0.48
	At the end of the year (or on the date of separation, if separated during the year)			-	-	445,546	0.48
10	Dimensional Emerging Markets Value Fund			487,980	0.5214		
	Add:	10 Apr 2015	Market Buy	8,919	0.01	496,899	0.54
	Add:	17 Apr 2015	Market Buy	5,511	0.01	502,410	0.54
	Add:	24 Apr 2015	Market Buy	3,330	0.00	505,740	0.55
	Add:	15 May 2015	Market Buy	11,505	0.01	517,245	0.56
	Add:	22 May 2015	Market Buy	2,432	0.00	519,677	0.56
	Add:	29 May 2015	Market Buy	2,744	0.00	522,421	0.56
	Less:	07 Aug 2015	Market Sale	(6,085)	(0.01)	516,336	0.55
	Less:	14 Aug 2015	Market Sale	(46,938)	(0.05)	469,398	0.50
	Less:	04 Sep 2015	Market Sale	(5,954)	(0.01)	463,444	0.50
	Less:	18 Sep 2015	Market Sale	(8,750)	(0.01)	454,694	0.49
	Less:	25 Sep 2015	Market Sale	(18,075)	(0.02)	436,619	0.47
	Less:	30 Sep 2015	Market Sale	(8,633)	(0.01)	427,986	0.46
	At the end of the year (or on the date of separation, if separated during the year)			-	-	427,986	0.46

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	Mr. Naresh Chandra - Independent Director	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	Mr. Dhirendra Swarup - Independent Director	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0	0	0	0
	At the end of the year	0	0	0	0

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Mr. Rakesh Sood - Independent Director	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	Mr. Sunil Lulla - Director & Key Managerial Personnel	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	Mr. Kishore Lulla - Executive Director	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	Ms. Jyoti Deshpande - Executive Director	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)	0	0	0	0
	At the end of the year	142,790	0.15	142,790	0.15
7	Mr. Vijay Ahuja - Non Executive & Non Independent Director	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	Mr. Dinesh Modi - Key Managerial Personnel	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	Ms. Dimple Mehta - Key Managerial Personnel	0	0	0	0
	Add: 21 November, 2015 (Exercise of shares granted under ESOP)	3,194	0	0	0
	Less: 7 January, 2016	500	0	2,694	0
	Less: 1 February, 2016	500	0	2,194	0
	At the end of the year	0	0	2,194	0

Annexure G (contd.)

V. INDEBTEDNESS

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	30,776	16,000	3	46,779
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	203	-	-	203
Total (i+ii+iii)	30,979	16,000	3	46,982
Change in Indebtedness during the financial year				
Addition	39,415	59,000	-	98,415
Reduction	(29,581)	(74,000)	-	(103,581)
Net Change	9,834	(15,000)	-	(5,166)
Indebtedness at the end of the financial year				
i) Principal Amount	40,610	1,000	3	41,613
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	122	-	-	122
Total (i+ii+iii)	40,732	1,000	3	41,735

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(1) of the Income-tax Act, 1961	35,138,400
(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	0
	- as % of profit	
	- others, Specify	0
5	Others, please specify(Bonus)	5,856,400
	Total (A)	42,234,400
	Ceiling as per the Act	99,995,595

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount (in ₹)
1.	Independent Directors		
	⊙ Fees for attending Board/Committee meetings	Mr. Naresh Chandra	880,000
		Mr. Dharendra Swarup	880,000
		Mr. Rakesh Sood	800,000
		(w.e.f 1 May, 2015)	
		Dr. Shankar Nath Acharya	80,000
		(Upto 30 April, 2015)	
	⊙ Commission	Mr. Naresh Chandra	6,025,000
		Mr. Dharendra Swarup	3,012,500
		Mr. Rakesh Sood	NIL
		(w.e.f 1 May, 2015)	

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount (in ₹)
		Dr. Shankar Nath Acharya (upto 30 April, 2015)	3,012,500
	Others (Reimbursement of maintenance of Chairman's office and expenses incurred towards performance of duties as Chairman)	Mr. Naresh Chandra	600,000
	Total (1)		15,290,000
2.	Other Non-Executive Directors	Mr. Vijay Ahuja	
	Others (Reimbursement of maintenance of Chairman's office and expenses incurred towards performance of duties as Chairman)		600,000
	Others (Reimbursement of maintenance of Chairman's office and expenses incurred towards performance of duties as Chairman)		600,000
	Others (Reimbursement of maintenance of Chairman's office and expenses incurred towards performance of duties as Chairman)		600,000
	Total (2)		Nil
	Total (B) = (1)+(2)		15,290,000
	Total Managerial Remuneration	A+B	57,524,400
	Overall ceiling as per the Act		219,990,309

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	7,750,000	3,018,749	10,768,749
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	375,000	719,768	1,094,768
(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	0	0	0
	- others, specify	0	0	0
5	Others, please specify	0	0	0
	Total	8,125,000	3,738,517	11,863,517

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)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
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	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: <ol style="list-style-type: none"> 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. The Company participated with CARE INDIA Solutions for Sustainable Development, an NGO, for 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 select districts of Uttar Pradesh. *The amount has not been utilized by the said NGO in this financial year. 														
3. Reference to the web-link to the CSR policy and projects or programs:	The details of CSR are also uploaded on the website on following link www.erosintl.com and shall also be uploaded on the website of Arpan www.arpan.org.in														
4. Composition of the CSR Committee.	Members of the Committee <ul style="list-style-type: none"> ☉ Mr. Naresh Chandra [Non-Executive Independent Director] (Chairman) ☉ Ms. Jyoti Deshpande [Executive Director] ☉ Mr. Kishore Lulla [Executive Director] ☉ Mr. Sunil Lulla [Executive Director] 														
5. Average net profit of the company for last three financial years	Net Profit before Tax (NPBT) <table border="1"> <thead> <tr> <th>Particulars</th> <th>₹ in Cr</th> </tr> </thead> <tbody> <tr> <td>2014-15</td> <td>198</td> </tr> <tr> <td>2013-14</td> <td>185</td> </tr> <tr> <td>2012-13</td> <td>179</td> </tr> <tr> <td>Total NPBT</td> <td>562</td> </tr> <tr> <td>Average NPBT</td> <td>187</td> </tr> <tr> <td>2% of Average NPBT</td> <td>3.74</td> </tr> </tbody> </table>	Particulars	₹ in Cr	2014-15	198	2013-14	185	2012-13	179	Total NPBT	562	Average NPBT	187	2% of Average NPBT	3.74
Particulars	₹ in Cr														
2014-15	198														
2013-14	185														
2012-13	179														
Total NPBT	562														
Average NPBT	187														
2% of Average NPBT	3.74														
6. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 3.74 crores														
7. Details of CSR spent during the financial year															
a. Total amount spent in FY 2015-2016	<ol style="list-style-type: none"> NGO - Arpan - ₹ 10 lakhs NGO - CARE INDIA Solutions for Sustainable Development - ₹ 10 lakhs (the amount donated to NGO CARE India has not been utilized as on 31 March, 2016, hence considered as unspent. The justification of non-utilization by the said NGO is given below). Total - ₹ 10 lakhs 														
b. Amount unspent, if any;	Unspent CSR amount is ₹ 3.64 crores in FY 2015 - 16														

*Justification for non-utilization of fund by CARE India:

"It was envisaged at the time of conceptualizing this project's activities, which based on Eros funding, CARE India will leverage funds from other donors to achieve a larger outreach to marginalized impact population. This was also in line with the NHM's guidance to have a reasonable geographical coverage for demonstrable outputs which they can use. The efforts to leverage funds, unfortunately, have not materialized.

EROS grant covers the personnel cost of CARE India and the proposed partners for the project which has the goal to improve maternal health by engaging spouse, family and community and empower women from marginalized community. To the meet the goal and the objectives stated in the project framework, there is a wider set of field activities that would be involved with various functionaries, communities and the government counterparts. To carry out the activities for the stated objectives of the project, CARE India was exploring other donors which have not yet been materialized. This has led to the situation where the project activities were put at a halt rather than placing personnel without any activities in the field – that would have led to waste of resources. However, CARE India is re-working on the operational strategy to implement the project between end May and end October."

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

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay (budget)	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent:
			(1) Local area or other	project or programs wise	Sub-heads;		Direct or through implementing agency
			(2) Specify the state and district where projects or programs was undertaken				
					(1) Direct expenditure on projects or programs		
					(2) Overheads:		
1	Personal Safety Education Programme in Schools	Education	Mumbai, Thane in Maharashtra	INR 1,000,000 in FY' 2015 - 16	Direct expenditure on program. Minimal overheads (>10% of overall budget)	INR 1,000,000 in FY' 2015 - 16	Implementing agency - ARPAN NGO Registered under Section 8 of the Indian Companies Act.

8. Reasons for not spending the amount of two per cent of the average net profit of the last three financial years
- The Company was required to spend a sum of ₹ 3.74 crores in the financial year 2015 - 16, being 2% of average net profit of last three years. However, the Company during the financial year 2015 - 16 has spent ₹ 10 lakhs towards its CSR expenses by way of contribution to NGO "Arpan". Further Company has also contributed ₹ 10 lakhs to NGO "CARE INDIA Solutions for Sustainable Development" but the amount is yet to be utilized, hence not considered. The Company is in the process of identifying the right charitable institutes to be associated with which has vis-a-vis same purpose as that of company CSR Policy and therefore, in the current financial year there was a short spent of ₹ 3.64 crores towards the CSR activities.

9. Statement by CSR Committee is stated below:

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

Sunil Lulla

Member of CSR Committee & Executive Vice Chairman & Managing Director

Naresh Chandra

Chairman of CSR Committee

Kishore Lulla

Member of CSR Committee

Jyoti Deshpande

Member of CSR Committee

Place : Mumbai

Date : 27 May, 2016

Management Discussion and Analysis

ECONOMIC OUTLOOK

India a bright spot

Global GDP output is estimated to have grown by 3.1% in 2015, with 1.9% growth for advanced economies and 4.0% growth for emerging market and developing economies. This was a year in which the global economy saw a significant decline in commodity prices. Against the backdrop of a sluggish global economic performance, the Indian economy grew by 7.6% in FY2016 and emerged as the fastest growing major economy in the world.

India saw major improvements in key macroeconomic fundamentals. Inflation moderated, interest rates declined, fiscal consolidation continued, foreign investments were strong, and the current account deficit remained stable. The combination of these factors is likely to drive consumerism in the country – benefiting the media and entertainment industry.

GDP Growth Rates

Regions	2015	2016 (P)	2017 (P)
World Output	3.1%	3.2%	3.5%
United States	2.4%	2.4%	2.5%
Euro Area	1.6%	1.5%	1.6%
United Kingdom	2.2%	1.9%	2.2%
China	6.9%	6.5%	6.2%
India	7.3%	7.5%	7.5%

(Source: International Monetary Fund, April, 2016, calendar year data)

GROWING STRONGER

Indian Media and Entertainment Industry

As per the KPMG–FICCI report 2016, the Indian Media and Entertainment industry is expected to grow at a 14.3% compounded annual growth rate from ₹ 1,157 billion in 2015 to ₹ 2,260 billion in 2020.

Overall industry size (₹ billion) for Calendar years	2014	2015	2016P	2017P	2020P	Growth in 2015 on 2014	CAGR (2015-20)
TV	474.9	542.2	617.0	709.6	1097.6	14.2%	15.1%
Print	263.4	283.4	305.2	329.6	412.5	7.6%	7.8%
Films	126.4	138.2	158.7	174.1	227.3	9.3%	10.5%
Radio	17.2	19.8	23.4	28.4	43.3	15.3%	16.9%
Music	9.8	10.8	12.1	14.0	20.6	10.2%	13.8%
OOH	22.9	24.4	28.3	31.6	45.2	10.9%	13.1%
Animation & VFX	44.9	51.1	58.3	67.1	108.0	13.8%	16.1%
Gaming	23.5	26.5	30.8	34.4	50.7	12.8%	13.9%
Digital Advertising	43.5	60.1	81.1	113.6	255.2	38.2%	33.5%
Total	1,026	1,157	1,315	1,502	2,260	12.8%	14.3%

Steady growth for India's film industry

Revenues (₹ billion)	2014	2015	2016P	2017P	2020P	Growth in 2015 on 2014	CAGR (2015-20)
Domestic theatrical	93.5	101.4	115.8	125.7	159.9	8.5%	9.5%
Overseas theatrical	8.6	9.6	11.4	12.4	15.6	11.5%	10.9%
Cable & Satellite rights	14.7	15.9	18.2	19.8	25.1	8.1%	9.5%
Home Video	1.2	1.0	0.9	0.8	0.6	-14.0%	-12.2%
Ancillary revenue streams	8.4	10.2	12.5	15.4	26.1	22.3%	21.1%
Total	126.4	138.1	158.8	174.1	227.3	9.3%	10.6%

As per the KPMG–FICCI report 2016, the Indian Media and Entertainment industry is expected to grow at a 14.3% compounded annual growth rate from ₹ 1,157 billion in 2015 to ₹ 2,260 billion in 2020.

DOMESTIC THEATRICALS

Domestic theatricals continued to be the primary source of revenue for the Indian film industry. In 2015, domestic theatrical revenues grew by 8.5% to reach ₹ 101.4 billion due to an increase in overall footfalls as well as an inflationary growth in average ticket prices. In 2015, six Bollywood releases crossed ₹ 1 billion mark and two crossed the ₹ 2 billion mark. The year was also marked by exceptional success achieved by Eros films at the Box Office, with 7 of the top 15 Hindi films in the calendar year 2015 being Eros films.

An important theme that emerged during 2015 is the increasing share of regional content in the total domestic revenues. Regional films which are normally the mainstay of single screens, contributed up to 30% in revenues at some national multiplexes during the second and the third quarter, indicating wide acceptance of good regional content.

Some of the key industry takeaways for 2015 are:

Growing demand for engaging content: Unlike the last few years when category-A films with A-listed actors invariably did well at box office, 2015 saw quite a few films with A-listed actors failing at the box office due to lack of strong content. With wide exposure to good content from Hollywood and regional films, audience preferences are evolving. The success of Bajirao Mastani, which was a huge success despite competing with the star-studded Dilwale is a case in point. At the same time, a medium-budget film like Tanu Weds Manu Returns delivered an outstanding ROI to Eros International.

Sophisticated budgeting and marketing spends: A notable feature of the year was that 5 out of the leading 10 films at the box office had a production budget of less than ₹ 50 crores, establishing the importance of content-driven films in commercial success. Also, among the leading 10 films at the box office, four films failed to recover their investments from their box office collections, despite their collections being upwards of ₹ 800 million. Thus, having seen that the high budgets do not necessarily lead to proportional returns, there is a need to reassess the production and print and advertising spends for film production companies. These factors are creating a strong competitive advantage

Domestic theatricals continued to be the primary source of revenue for the Indian film industry.

2015 saw regional cinema establishing a strong foothold, both nationally and internationally.

for organised studios, equipped with scientific research tools, elaborate marketing and distribution infrastructure and mature processes for green-lighting and budgeting of films with appropriate risk-sharing mechanisms and pre-sales strategies.

Regional markets

2015 saw regional cinema establishing a strong foothold, both nationally and internationally. Tamil and Telugu films, along with Bollywood, contribute about two-thirds of films produced every year and continue to lead regional markets.

Baahubali, a Telugu-language film (dubbed for Hindi markets) opened in approximately 2,000 screens, contributing about 25% to its overall domestic collections. The film's phenomenal success suggests that good content is breaking language barriers and attracting multi-lingual audiences.

OPPORTUNITY LANDSCAPE

More screens for domestic reach

India is one of the largest producers of films – producing 1,000 to 1,200 films (across various languages) every year; that is approximately 20 to 30 films every weekend. While not all films may be cinema-worthy, shortage of adequate exhibition infrastructure is a major impediment for many films in India. The screen growth in India has been rather slow, compared to the potential demand, with the industry adding only 150 to 200 new screens (gross additions) per year.

India's screen penetration is 6 per million population vis-à-vis China's 23 per million population and US's 126 per million population, demonstrating significant headroom for growth. Besides, the biggest Bollywood release of 2015 (Bajrangi Bhaijaan), which saw a domestic collection of over ₹ 3 billion, was viewed across around 4,200 screens by merely 2% of the total Indian population. This indicates an immense unexplored opportunity for the film industry.

Exhibition industry consolidation leading to organic growth

Aggressive consolidation in the last couple of years has led to the emergence of four players controlling close

Management Discussion and Analysis (contd.)

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to 70% of the total multiplex screens in the country; with PVR Cinemas (497 screens), INOX Leisure (416 screens), Carnival Cinemas (341 screens), Cinepolis (215 screens) being the large multiplex chains. The next phase of screen growth is expected to be driven by organic growth in screens especially in tier 2 and tier 3 cities.

Conversion of single screens to two or three screen multiplexes

Retrofitting or turning the existing single screens into multiple – two or three - screens is one of the cost-effective options for driving screen growth. There are approximately 6,000 single screen theatres. Assuming that 75% of the screens can be retrofitted, conversion to the more audience-friendly twin-screen multiplexes could unlock revenues worth ₹ 40 to 50 billion for the film industry. Even though the total number of seats may reduce, retrofitting would lead to an increase in footfalls due to better facilities and experience offered; and as a result of higher ticket price realisations.

Evolution of online ticketing

The share of online ticketing has increased significantly from 6% in 2006 to 32% in 2015. The convenience of deciding and choosing the seats, without waiting in queues has enhanced the film-watching experience; and has encouraged footfalls and capacity utilisation of screens.

Stable cable & satellite market for Hindi films

Cable and satellite rights (C&S) rights continued to be the second largest contributor to the overall industry's revenue in 2015. The film revenues from the sale of C&S rights grew by 8.1% to ₹ 15.9 billion in 2015.

Hindi and Regional films will continue to remain a key entertainment fare across General Entertainment, Film and Music Channels in multiple languages.

After undergoing a rationalisation on prices over the last two years, the prices of C&S rights have shown improvement during the year. Mix of pre-release and post-release deals for C&S rights continued in 2015, with prominent producers insisting on signing pre-release deals. In the case of pre-release deals, many of the deals are being linked to the box office performance of films, except for a few A-list movies.

On an average, every year, each large broadcaster purchases C&S rights for 2 to 3 A+ category films, 5 to 6 A category films and 8 to 10 B category films, depending on the bundled deals with production houses. The cost of acquisition currently varies from ₹ 100-200 million for a mid-budget movie to ₹ 450-600 million for a blockbuster.

The importance of the film content for the C&S markets was again underscored when Viacom18 launched its Hindi movie channel Rishtey Cineplex in February 2016 thereby increasing competition for acquiring film content.

The Indian television market is the second largest in the world after China, reaching an estimated 175 million television households in 2015, of which over 160 million were subscribing cable and satellite households. KPMG-FICCI Report 2016 projects that the Indian television industry will grow from ₹ 542.2 billion in 2015 to ₹ 1,097.6 billion in 2020.

Hindi and Regional films will continue to remain a key entertainment fare across General Entertainment, Film and Music Channels in Hindi and regional languages.

OVERSEAS THEATRICALS

Popularity of star-led films such as Bajrangi Bhaijaan and Dilwale and high-profile films such as Bajirao Mastani continues to drive overseas collections. Indian diaspora based in the U.S., the Middle East and the U.K. remained the major markets for overseas theatricals, constituting 70-75% of total overseas revenues. Overall, the U.S. contributed approximately 33%, the Middle-East also contributed 33% and the rest comprised the U.K. and the rest of the world. As India gains prominence on the international stage, India's film industry is increasingly attracting cross-over audiences in various parts of the world with film content exported to over 50+ countries and growing.

Indian producers, by virtue of producing the largest number of films globally, enjoy a comparative advantage over other countries in the art of film making and an opportunity to consider producing films for international

markets by collaborating with local studios and talent is emerging. Eros International has taken the lead by announcing entry into the Chinese market by co-producing Sino-Indian films, along with Chinese studios. It has entered into agreements with three major Chinese state-owned film and entertainment companies to promote, co-produce, distribute and unlock value in respective intellectual properties for Sino-Indian films across platforms in both the countries.

Music rights

The sale of music rights, even though a small revenue stream, plays an important role in India's film industry. It has a vital role in the film's marketing process, and helps generate a buzz around the film and often plays an important part in the film's success. The market size of the music industry is ₹ 10.8 billion in 2015 with 40% of the music consumed is Bollywood and 30% is regional. The music industry continued its shift to digital consumption in 2015.

Over the top (OTT) - Game changing potential

Broadband and mobile platforms present growing digital avenues to exploit content. As per the latest Telecom Regulatory Authority of India report, there are over 1 billion wireless subscribers in India at the end of September 2015. The number of unique mobile users is currently at 500 million which is a penetration level of approximately 38% of the Indian population. It is expected to touch around 1.3 billion by 2020, over 90% of India's total population at that point. The number of wireless internet users in India is likely to cross 790 million by 2020 with more than 60% of users accessing the internet through their mobile phones.

India's OTT video services market is primarily driven by changing preferences of viewers towards watching content as per their convenience and individual choices. Given that close to 90% households have a single television set in India, watching TV and other content on laptops, tablets and smartphones, based on individual choices has been a key trigger for increasing adoption and usage of OTT services.

Some prominent video services platforms in India are Eros Now, Hotstar, HOOQ, Box TV, Sony Liv, Ditto TV, VOOT and Netflix. While some platforms are looking at OTT platforms to supplement their TV presence, other such as Eros Now have taken a very focused approach to building its OTT offering as a one-stop shop, comprising Hindi and regional films, music, made-for-digital original content and music.

Eros International has announced entry into the Chinese market by co-producing Sino-Indian films, along with Chinese studios.

Although OTT video consumption has grown significantly in just a short span there is a long way to go, with poor internet bandwidth and high data charges remaining some of the biggest growth roadblocks in online video consumption. The improvement in mobile broadband infrastructure, gradual reduction in internet cost and increase in smartphone screen sizes are driving consumers to shift their viewing preferences to mobile.

Digital ecosystem ready to transform

India's internet infrastructure is transforming rapidly with leading telecom operators in the midst of aggressive 4G rollouts, government's Digital India campaign and multiple private initiatives around broadband and public wifi. The 4G market is expected to be highly competitive; and will likely result in lowering of data costs. A few major rollouts have been as follows:

- ⦿ Airtel – 19 key circles covering over 90% revenue potential
- ⦿ Idea Cellular – Five South India states and plans to launch in 12 circles and over 700+ cities
- ⦿ Vodafone – Five circles of Kerala, Karnataka, Mumbai, Delhi, NCR and Kolkata

The most anticipated entry in the entry of Reliance Jio, which is built on the highest 4G spectrum, greatest number of 4G sites and the largest optical-fibre network in India.

Other notable programmes that will enable 4G rollouts are:

- ⦿ Google's project to install WiFi at 100 railway stations by end-2016 (starting with Mumbai earlier this year) in conjunction with Railtel, a Government of India undertaking. Google projects up to 10 million users accessing that WiFi, by year end, and using it for a range of apps including streaming/downloading video while travelling

Management Discussion and Analysis (contd.)

Currently, around 36% of the Indian population has a mobile connection, reflecting significant headroom for growth.

- Broadband rollout and Public WiFi as part of the government's Digital India campaign, primarily on the back of National Optical Fibre Network to power government offices, schools, hospitals and citizen service centres directly

In the meantime, nimble players like Eros Now have launched offline viewing or download features across Apple, Android and iOS platforms that enable subscribers to access content even when they are not connected to the internet.

ANCILLARY AND OTHER REVENUE STREAMS

The brand equity of a film franchise and popularity of characters have a strong potential to be extended to licensing and merchandising to generate additional revenue streams. The Indian market is at a very nascent stage of exploring this possibility. The extension of the film to other platforms such as TV serials, digital comics, story book adaptations, film remake rights and merchandising across product categories can enable additional revenues to flow in that can have a major impact on Studio profitability. Studios such as Eros International have taken the lead with their recently launched production label, Trinity Pictures to work on franchise films with a clear focus on generating multiple revenue streams including ancillary streams.

Other revenue streams such as sales for in-flight entertainment, hotels, syndication from broadband operators, DVDs, and so on also contribute towards revenues from films.

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.

At Eros, our success is built on relationships that we have cultivated over three decades 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, spanning different genres, budgets and languages; and we have distributed a portfolio of over 190 new films over the last three completed fiscal years. New film distribution across theatricals, overseas and television and others channels, along with library monetization provide us with diversified revenue streams. The shareholding of Eros International is held 73.55% (as on 31 March, 2016) by Eros International Plc's group companies, which is India's first Media and Entertainment Company to list on the New York Stock Exchange (NYSE).

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

STRATEGIC OVERVIEW

- Co-produce, acquire and distribute high quality content to augment our film library including a unique dedicated franchise studio model, Trinity Pictures
- Capitalise on positive industry trends in the Indian Media and Entertainment industry
- Expand our regional language content offerings to include films in more regional languages
- Foray into international co-productions with promising markets, such as China
- Increase our digital content distribution by promoting Eros Now, the parent Eros International Plc's OTT platform for online entertainment

OPERATIONAL OVERVIEW

Diversified Portfolio of Releases

During FY2016, Eros International released 63 films in multiple languages comprising 33 Hindi, 21 Tamil/Telugu and 9 in other regional languages. These include Bajrangi Bhaijaan, Bajirao Mastani, Tanu Weds Manu Returns,

Eros International have taken the lead with their recently launched production label, Trinity Pictures to work on franchise films to generate multiple revenue streams including ancillary.

We have aggregated rights to over 2,000 films in our library, including recent and classic titles, spanning different genres, budgets and languages; and we have distributed a portfolio of over 190 new films over the last three completed fiscal years.

Welcome Back, Uttama Villian (Tamil), Rajini Murugan (Tamil), Dictator (Telugu), Srimanthudu (Telugu), Singh is Bling (Overseas), Gabbar is Back (Overseas), Dil Dhadakne Do (Overseas) and other films.

Developing China as a new market

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

Successful film development at Trinity Pictures

The Trinity Pictures worked on several concepts during the year, and have successfully developed 3 Universes under which films are under development; Kids and Teens, Action and Adventure and Gods and Kings. At least four films will go under production in FY 2017; of which two are Indo-China productions.

Focus on digital opportunity through Eros Now

Eros India Group is a key content provider for the digital business and will also hold a share of equity in this business, subject to applicable approvals.

FINANCIAL OVERVIEW

All figures below are as per consolidated financial results for FY2016.

Snapshot

	₹ in lakhs		
	FY2016	FY2015	Growth%
Total Income	160,355	144,103	11.3%
EBIT	33,746	36,155	(6.7%)
EBIT Margin (%)	21.0	25.1	(16.1%)
PAT	21,414	24,706	(13.3%)

Segmental Revenue Break-up

Theatrical Revenue	Overseas Revenues	TV and Others revenue
₹ 70,396 lakhs	₹ 41,853 lakhs	₹ 48,106 lakhs
43.9% of revenue	26.1% of revenue	30.0% of revenue

Total Revenues

Consolidated total income increased by 11.3% to ₹ 160,355 lakhs in FY2016 compared to ₹ 144,103 lakhs in FY2015.

- Reported healthy growth in revenues on the back of new movie releases and robust monetization of catalogue films
- 63 films were released during FY2016 including 33 Hindi, 19 Tamil/Telugu & 11 Regional language films as compared to 64 films during FY2015, which included 45 Hindi & 19 Tamil/Telugu language films
- Strong theatrical performance during the period was driven by the success of global and overseas releases namely 'Bajrangi Bhaijaan', 'Bajirao Mastani', 'Tanu Weds Manu Returns', 'Welcome Back', 'Dil Dhadakne Do', 'Singh is Bling', 'Gabbar is Back', 'Srimanthudu'(Telugu), and other regional Languages

Purchase/ Operating expenses

Purchases/ operating expenses have increased by 21.8% to ₹ 114,483 lakhs in FY2016, compared to ₹ 93,995 lakhs in FY2015. This increase is in-line with the increase in revenues and also reflects the mix of the film slate.

Amortization of film rights during FY2016 stood at ₹ 61,787 lakhs compared to ₹ 49,756 lakhs in FY2015. Film right cost during FY2016 stood at ₹ 41,212 lakhs compared to ₹ 30,253 lakhs in FY2015. Other expenses comprising of print, advertising, and associated expenses stood at ₹ 11,484 lakhs in FY2016 compared to ₹ 13,986 lakhs in FY2015.

Employee benefits expense

Employee benefits expense increased by 55.2% to ₹ 5,571 lakhs in FY2016, compared to ₹ 3,590 lakhs in FY2015, which was attributable to fresh recruitment, annual pay increments, performance linked pay and higher employee stock option compensation.

Management Discussion and Analysis (contd.)

Finance Cost

Net finance costs during FY2016 stood at ₹ 3,386 lakhs compared to ₹ 3,840 lakhs in last year. The decrease in net finance cost by 11.8% in FY2016 was due to marginal decrease in the net debt levels and a corresponding increase in interest income from cash deposits.

Other expenses

Other expenses during FY2016 stood at ₹ 5,809 lakhs compared to ₹ 9,674 lakhs in the last year. The decrease in other expenses was primarily due to decrease in write-off in respect of content advance (₹ 1,656 lakhs) & trade receivable (₹ 1,431 lakhs), provision in respect to diminution in value of investments (₹ 800 lakhs), decrease in advances and deposits write off (₹ 415 lakhs), net loss on foreign currency transactions & translation (₹ 189 lakhs) and other expenses.

EBIT

EBIT decreased by 6.7% to ₹ 33,746 lakhs in FY2016 compared to ₹ 36,155 lakhs in FY2015. EBIT margins slightly lower at 21.0% in FY2016 as compared to 25.1% in FY2015.

Profit before tax

Profit before tax decreased by 6.1% to ₹ 30,359 lakhs in the year ended 31 March, 2016, compared to ₹ 32,315 lakhs in the year ended 31 March, 2015.

Income Tax

Income Tax expenses for the year ended 31 March, 2016, were ₹ 7,908 lakhs, as compared to ₹ 7,615 lakhs for the year ended 31 March, 2015. The Company's effective tax rate for the year ended 31 March 2016, was 26.0% compare to 23.6% in the previous year.

Profit after Tax

Profit after tax decreased by 13.3% to ₹ 21,414 lakhs for the year ended 31 March, 2016, compared to ₹ 24,706 lakhs for the year ended 31 March, 2015.

Earnings per share (EPS)

Basic EPS for the year ended 31 March, 2016 was ₹ 22.98 per share compared to ₹ 26.78 a year ago, down by 14.2%. Fully diluted EPS for the year ended 31 March, 2016 was ₹ 22.79 per share, as compared to ₹ 26.43 in the year ended 31 March, 2015, down by 13.8%.

RISK MANAGEMENT

Company has a robust mechanism of reviewing the 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 we fail to achieve or maintain an effective system of internal control over financial reporting, our ability to accurately and timely report our financial results or prevent fraud may be adversely affected
- ⦿ Our accounting practices and management judgments may accentuate fluctuations in our annual and quarterly operating results and may not be comparable to other film entertainment companies
- ⦿ Litigation may be necessary to enforce our 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, we could incur significant costs and diversion of resources in enforcing our intellectual property rights or in defending against such claims, which could have a material adverse effect on our business and results of operations. Our services and products could infringe upon the intellectual property rights of third parties
- ⦿ The Company's may be unable to adequately protect or continue to use our intellectual property. Failure to protect such intellectual property may negatively impact our business
- ⦿ Our 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

- ⦿ We face increasing competition with other films for movie screens, and our inability to obtain sufficient distribution of our films could have a material adverse effect on our business.
- ⦿ Increasing competition from other forms of entertainment, which could have a material adverse effect on our business
- ⦿ Submissive economic growth, rising unemployment and inflation can weaken discretionary consumer spending for the entertainment that the Company offers
- ⦿ Piracy of our content, including digital and internet piracy, may adversely impact our revenues and business
- ⦿ Some viewers or civil society organisations may find our 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

HUMAN RESOURCE

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

INTERNAL CONTROL SYSTEM

Eros has established 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

Corporate Governance may be defined as a set of systems, policies, processes and principles which ensure that a company is governed in the best interest of all stakeholders. It is the system by which companies are directed, administered, controlled and managed. Good governance is about promoting corporate fairness, transparency and accountability.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations") which was made effective from 1 December, 2015 (earlier Clause 49 of the Listing Agreement of Stock Exchanges). Accordingly, all the listed entities were required to enter into the fresh Listing Agreement with the Stock Exchanges within six (6) months from the date of notification of SEBI Listing Regulations. Your Company entered into Listing Agreement with BSE Limited and National Stock Exchange of India Limited on 21 December, 2015.

We strongly believe in the practice of conducting our business activities in a fair, direct and completely transparent manner that will not only benefit the Company but more importantly will ensure the highest level of

accountability and trust for all our stakeholders such as shareholders, employees and partners.

We, at Eros International, continuously strive at improving and adhering to the good governance practice. The Company has adopted best practices as mandated in SEBI Listing Regulations.

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

BOARD OF DIRECTORS

a. Composition and Category of Directors:

The Board of Directors of the Company have an optimum combination of executive and non-executive directors and also has one woman director on the Board, with not less than 50% of the Board of Directors comprising of non-executive Directors, which is in conformity with Regulation 17 of SEBI Listing Regulations and erstwhile applicable clauses of Listing Agreement entered into with the stock exchanges. There are no Institutional Nominee Directors on the Board.

As on 31 March, 2016, the Board comprised of seven (7) directors, out of which four (4) are non-executive directors and three (3) are executive directors, which are as follows:

Name of the Director	Category
Mr. Naresh Chandra, Chairman	Non Executive & Independent Director
Mr. Dharendra Swarup	Non Executive & Independent Director
¹ Mr. Rakesh Sood	Non Executive & Independent Director
Mr. Sunil Lulla, Executive Vice Chairman & Managing Director	Executive Director
Mr. Kishore Lulla	Executive Director
Ms. Jyoti Deshpande	Executive Director
Mr. Vijay Ahuja	Non Executive Non Independent Director

¹Mr. Rakesh Sood was appointed as an Additional Independent Director on the Board w.e.f 1 May, 2015 and his appointment was regularised by the shareholders of the Company on 3 September, 2015.

Note:

Mr. Naresh Chandra, Chairman of the Board, is a Non Executive and Independent Director and is not related to promoters of the Company or any person occupying the position one level below the Board.

During the year ended 31 March, 2016, Dr. Shankar Nath Acharya, Non Executive Independent Director resigned from the Board and its Committees w.e.f. 30 April, 2015 and Mr. Rakesh Sood was appointed as an additional director at the Board Meeting held on 30 April, 2015. The appointment

of Mr. Rakesh Sood for the first term of five (5) years was approved by the Shareholders on 3 September, 2015.

The Company has in place the Succession Policy at the Board and Senior Management level.

Independent Directors

The Independent Directors of your Company are from diverse background with skills and experience in critical areas like governance, finance, entrepreneurship and general management. They have been appointed by the

shareholders of the Company for first term of five (5) years. The formal appointment letters to each of the Independent Directors have been issued by the Company in the manner as prescribed under Companies Act, 2013. A sample letter of appointment is available on website of the Company at www.erosintl.com.

The Independent Directors have submitted declarations to the Company that they comply with the term “Independent Director” as defined under Regulation 16 of SEBI Listing Regulations and also confirmed that they do not hold directorship more than prescribed limits as per the SEBI Listing Regulations.

Separate meeting of the Independent Directors

During the year, Independent Directors of the Company met once (1) on 9 November, 2015, without attendance of non-independent directors and members of management, in

terms of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI Listing Regulations. Details of attendance of Independent Directors at its separate meeting held on 9 November, 2015 is set out in the table below:

Name of Independent Director	Attendance
Mr. Naresh Chandra	Yes
Mr. Dharendra Swarup	Yes
Mr. Rakesh Sood	Yes

The Independent Directors, inter alia, reviewed the performance of non-independent directors and the Board as a whole, assessed the quality, quantity and timeliness of flow of information between the Company, management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

(b) Attendance of Directors and Number of other Directorship:

TABLE 1

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

Name of Director	Attendance		Position on the Board of other companies as on 31 March, 2016		
	Board Meeting	Last Annual General Meeting	Directorship* (Including Unlisted Public Companies)	Committee Membership **	Committee Chairmanship ***
Mr. Naresh Chandra DIN - 00015833	7	No	09	09	01
Mr. Dharendra Swarup DIN - 02878434	7	Yes	04	04	03
Mr. Rakesh Sood DIN - 07170411	6	Yes	--	--	--
Mr. Sunil Lulla DIN - 00243191	6	Yes	07	01	--
Mr. Kishore Lulla DIN - 02303295	2	Yes	--	--	--
Ms. Jyoti Deshpande DIN - 02303283	5	No	01	--	--
Mr. Vijay Ahuja DIN - 02966514	3	No	--	--	--

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 the position as Chairman.

Corporate Governance Report (contd.)

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, 2016 have been made by the Directors.

d. Number of Board Meetings:

During the financial year ended 31 March, 2016, the Board met seven (7) times i.e. on 30 April, 2015, 29 May, 2015, 31 July, 2015, 1 August, 2015, 13 August, 2015, 9 November, 2015 and 9 February, 2016. The maximum time gap between two (2) meetings of the Board did not exceed one hundred and twenty days as stipulated under Regulation 17(2) of SEBI Listing Regulations.

Board Procedure

The Board meets atleast once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of the Company. The tentative annual calendar of Board Meetings for the ensuing year is decided in advance by the Board. The agenda papers alongwith detailed explanatory notes and supporting materials are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. Such agenda papers and supporting materials are circulated by way of uploading the same on e-meeting application and the same are viewed by Directors on their respective i-pads, thereby conducting paperless meetings and going green. 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.

In accordance with the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and in accordance with

Secretarial Standards 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.

e. Disclosure of Relationship between directors:

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

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

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:

The Company has formulated Familiarisation Programme for Independent Directors 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 its operates and environment in which it functions, business model, long term/short term/strategic plans 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.

The Company through its Executive Directors/ Senior Management Personnel, conduct programs/ presentations periodically to familiarize Independent Directors about business strategies, management structure, HR Policy, risk management framework, operations of subsidiaries and associates, etc. In case, the Independent directors are interested in meeting any specific department or function or getting any further details, the respective functional heads are invited.

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

The familiarisation programme and necessary disclosures to be made in accordance with SEBI Listing Regulations are made on website of the Company at www.erosintl.com.

Reappointment of Directors

In accordance with Section 152 (6) of the Companies Act, 2013 and applicable rules thereto, Mr. Vijay Ahuja (DIN – 02966514), Non Executive and Non Independent Director being longest in office, is liable to retire by rotation at this 22nd Annual General Meeting and has expressed his unwillingness to be reappointed as Director at the ensuing Annual General Meeting. Your Board recommends that the vacancy created on account of retiring director should not be filled in and the number of the Board of Directors be reduced accordingly.

COMMITTEES OF THE BOARD

The Board of Directors, at its various meetings, has constituted / re-constituted the following Committee(s):

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

AUDIT COMMITTEE

An Audit Committee, duly reconstituted by the Board of Directors at their meeting held on 30 April, 2015, has a well-defined composition, quorum, powers, role, review and terms of reference in accordance with Section 177 of the Companies Act, 2013 and applicable rules thereto and as per Regulation 18 of SEBI Listing Regulations.

The composition of Audit Committee is set out in following table:

Sr. No.	Name of the Members of Audit Committee	Designation
1.	Mr. Dharendra Swarup	Chairman
2.	Mr. Naresh Chandra	Member
3.	Mr. Rakesh Sood	Member
4.	Mr. Sunil Lulla	Member

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

Apart from the Chief Financial Officer of the Company who remains present at all the Audit Committee meetings, the Committee also invites the representatives of the statutory auditors and internal auditors of the Company at each meeting and other Functional heads, if required.

The terms of reference of Audit Committee were revised by the Board of Directors on 9 November, 2015 in accordance with the SEBI Listing Regulations read with Companies Act, 2013 and applicable rules thereto.

The revised terms of reference of Audit Committee along with working procedure, charter and constitution are uploaded on website of the Company at www.erosintl.com.

During the year under review, Audit Committee met five (5) times in a year viz. on 29 May, 2015, 13 August, 2015, 9 November, 2015, 9 February, 2016 and 14 March, 2016. Details of the attendance of Members at the Audit Committee meetings are set out in the table below:

Name of Committee Member	Category	Number of Meetings attended
Mr. Dharendra Swarup	Non-Executive Independent Director	5
Mr. Naresh Chandra	Non-Executive Independent Director	5
¹ Mr. Rakesh Sood	Non-Executive Independent Director	5
Mr. Sunil Lulla	Executive Vice Chairman and Managing Director	5

¹Dr. Shankar Nath Acharya resigned as a Member of Audit Committee w.e.f. 30 April, 2015 and Mr. Rakesh Sood became a Member of Audit Committee w.e.f. 1 May, 2015. During the tenure of Dr. Shankar Nath Acharya, no meetings were held; hence his name is not mentioned in the above table.

Mr. Dharendra Swarup, Chairman of the Audit Committee is an Independent Director and was present at last year's Annual General Meeting of the Company to address queries of the shareholders. Ms. Dimple Mehta, the Company Secretary of the Company acts as Secretary to the Committee.

Corporate Governance Report (contd.)

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company re-constituted the Nomination and Remuneration Committee on 30 April, 2015 comprising of the following Committee Members:

Sr. No.	Name of the Members of Nomination and Remuneration Committee	Designation
1.	Mr. Dharendra Swarup	Chairman
2.	Mr. Naresh Chandra	Member
3.	Mr. Rakesh Sood	Member

All the above members of the Nomination and Remuneration Committee are Non-Executive Independent Directors. The Committee is chaired by Mr. Dharendra Swarup. He was present at last year's Annual General Meetings of the Company to address queries of all shareholders. Ms. Dimple Mehta, Company Secretary of the Company, acts as Secretary to the Committee.

The terms of reference of Nomination and Remuneration Committee were broadened / revised by the Board of Directors of the Company at their meeting held on 9 November, 2015, pursuant to the SEBI Listing Regulations read with Companies Act, 2013 and applicable rules thereto.

The revised terms of reference of Nomination & Remuneration Committee along with working procedure, charter and constitution are uploaded on website of the Company at www.erosintl.com.

During the year under review, Nomination and Remuneration Committee met five (5) times in a year viz. on 30 April, 2015, 29 May, 2015, 13 August, 2015, 9 November, 2015 and 9 February, 2016. Details of members of Nomination and Remuneration Committee and their attendance at respective meetings are stated below:

Name of Committee Member	Category	Number of Meetings attended
Mr. Dharendra Swarup	Non-Executive Independent Director	5
Mr. Naresh Chandra	Non-Executive Independent Director	5
¹ Dr. Shankar Nath Acharya	Non-Executive Independent Director	1
² Mr. Rakesh Sood	Non-Executive Independent Director	4

¹Dr. Shankar Nath Acharya resigned as a Member of Nomination and Remuneration Committee w.e.f. 30 April, 2015.

²Mr. Rakesh Sood became a Member of Nomination and Remuneration Committee w.e.f. 1 May, 2015.

Nomination and Remuneration Policy

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

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

- ⊙ To formulate of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of Directors, Key Managerial Personnel (KMP) 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 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 were 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:
In accordance with the Company's Board Evaluation Policy, the evaluation is essential for assessment on how

the overall Board and Committees 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:

- ⦿ Composition of Independent Directors and woman directors
- ⦿ Frequency of meetings
- ⦿ Discharge of key functions under law; Discharge of other responsibilities under law
- ⦿ 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:

- ⦿ 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 Independent Directors were carried out for the financial year 31 March, 2016. The evaluation

Corporate Governance Report (contd.)

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.

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 in the Company.
- ⦿ None of the Non-Executive Independent Directors hold any convertible instruments in the Company.
- ⦿ Payment of reimbursement of expenses incurred by Non-Executive Independent Directors for participation in the Board and other meetings of the Company.

Maintenance of Chairman's office

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

Details of remuneration paid to all the Directors for the financial year 2015-16 are as follows:

										(Amt in ₹)
Sr. No.	Name of Director	Salary	Benefits/ Perquisites	Bonus	Sitting Fees (paid)	Commission paid for FY 2014-2015	Commission (payable for 2015-2016)	Others	Total	Holding of Equity shares/ stock options of the Company as on 31 March, 2016
1	Mr. Naresh Chandra	--	--	--	880,000	6,025,000	4,975,000	--	11,880,000	Nil
2	Mr. Dharendra Swarup	--	--	--	880,000	3,012,500	2,487,500	--	6,380,000	Nil
3	Mr. Rakesh Sood	--	--	--	800,000	--	2,487,500	--	3,287,500	Nil
4	¹ Dr. Shankar Nath Acharya	--	--	--	80,000	3,012,500	--	--	3,092,500	Nil
5	Mr. Sunil Lulla	35,138,400	1,239,600	5,856,400	--	--	--	--	42,234,400	1,400 (equity shares)
6	Mr. Kishore Lulla	10,541,520	--	--	--	--	--	--	10,541,520	Nil
7	Ms. Jyoti Deshpande	9,583,200	--	--	--	--	--	--	9,583,200	571,160 (options outstanding) & holds 142,790 equity shares
8	Mr. Vijay Ahuja	--	--	--	--	--	--	--	--	Nil

¹Dr. Shankar Nath Acharya resigned as a Director w.e.f. 30 April, 2015 and Mr. Rakesh Sood was appointed on the Board w.e.f. 1 May, 2015.

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.

The Committee comprises of the following members:

Sr. No.	Name of the Members of Stakeholders Relationship Committee	Designation
1.	Mr. Rakesh Sood	Chairman
2.	Mr. Dharendra Swarup	Member
3.	Mr. Sunil Lulla	Member

Members of the Stakeholders Relationship Committee consist of three directors, majority of whom are Non-Executive Independent Directors and the Committee is chaired by Mr. Rakesh Sood. The Chairman was present at last year's Annual General Meeting of the Company to address the queries of the shareholders. Ms. Dimple Mehta, the Company Secretary of the Company acts as Secretary to the Committee.

The terms of reference of Stakeholders Relationship Committee were broadened / revised by the Board of Directors of the Company at their meeting held on 9 November, 2015, pursuant to the SEBI Listing Regulations read with the Companies Act, 2013 and applicable rules thereto.

The revised terms of reference of Stakeholders Relationship Committee along with working procedure, the charter and its constitution are uploaded on website of the Company at www.erosintl.com.

During the year under review, Stakeholders Relationship Committee met four (4) times i.e. on 29 May, 2015, 13 August, 2015, 9 November, 2015 & 9 February, 2016. Details of members of Stakeholders Relationship Committee and their attendance at respective meetings are stated below:

Name of Committee Members	Category	Number of meetings attended
Mr. Rakesh Sood	Non-Executive Independent Director	4
Mr Dharendra Swarup	Non-Executive Independent Director	4
Mr. Sunil Lulla	Executive Director	4

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 2015-16:

Description of investors grievances received during the year	No. of Grievances
Total grievances pending at the beginning of period as on 1 April, 2015	NIL
Letters directly received from Investors	14
N.S.E.	0
B.S.E.	0
SEBI (Securities and Exchange Board of India) (SCORES)	0
Total grievances attended	14
Total grievances pending as on 31 March, 2016	NIL

All the complaints /requests received during the year under review were duly resolved to satisfaction of the investors/members and no complaints were pending as on 31 March, 2016 for more than 30 days.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company constituted the Corporate Social Responsibility Committee ("CSR Committee") on 29 May, 2014 and it is chaired by Mr. Naresh Chandra and consists of four (4) members as stated below. Ms. Dimple Mehta, the Company Secretary of the Company acts as Secretary to the Committee.

Sr. No.	Name of the Members of Corporate Social Responsibility Committee	Designation
1.	Mr. Naresh Chandra	Chairman
2.	Mr. Sunil Lulla	Member
3.	Mr. Kishore Lulla	Member
4.	Ms. Jyoti Deshpande	Member

The composition, quorum, and terms of reference of the CSR Committee are in accordance with Section 135 of the Companies Act, 2013 and applicable rules thereto. The Charter, constitution along with the working procedure has been uploaded on the website of the Company at www.erosintl.com.

Corporate Governance Report (contd.)

During the year under review, CSR Committee met four (4) times in a year i.e. on 29 May, 2015, 13 August, 2015, 9 November, 2015 and 9 February, 2016. Details of members of CSR Committee and their attendance at respective meetings are stated below:

Name of Committee Member	Category	Number of Meetings attended
Mr. Naresh Chandra	Non-Executive Independent Director	4
Mr. Sunil Lulla	Executive Director	4
Mr. Kishore Lulla	Executive Director	1
Ms. Jyoti Deshpande	Executive Director	4

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.

MANAGEMENT COMMITTEE

The Board of Directors reconstituted* the Management Committee on 13 August, 2015 comprising of following new members i.e. Mr. Sunil Lulla, Mr. Kishore Lulla, Ms. Jyoti Deshpande and Mr. Dinesh Modi.

The Board of Directors have delegated/ entrusted certain powers to Management Committee to decide on the day to day operations of the Company. The Committee met sixteen(16) times during the financial year for such operational matters.

* Re-constitution on account of retirement of Mr. Vijay Ahuja from the Committee.

INVESTORS INFORMATION

General Body Meeting

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

Respective Financial Year	2012-13	2013-14	2014-15
Date of the meeting	28 August, 2013	25 September, 2014	3 September, 2015
Time of the meeting	3.00 p.m.	2.30 p.m.	3.00 p.m.
Venue of the meeting	The Club, 197, D. N. Nagar, Andheri (West), Mumbai - 400 053	The Classique Club, New Andheri Link Road, 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"> ⊙ N.A. 	<ul style="list-style-type: none"> ⊙ Payment of remuneration to Mr. Kishore Lulla, Executive Director ⊙ Increase in borrowing limits upto ₹ 2000 crores or the aggregate of paid-up capital and free reserves of the Company, whichever is higher. ⊙ Creation of Charges on the moveable and immoveable properties of the Company, both present and future, in respect of borrowings. ⊙ Offer and issue of Non-Convertible Securities under Private Placement upto ₹ 750 crores. 	<ul style="list-style-type: none"> ⊙ Re-appointment of Mr. Sunil Lulla (DIN 00243191) as an Executive Vice Chairman and Managing Director of the Company and payment of remuneration. ⊙ Payment of remuneration to Ms. Jyoti Deshpande, Executive Director (DIN-02303283) on her re-appointment as Executive Director. ⊙ Adoption of Articles of Association. ⊙ Commission to Non Executive Directors. ⊙ Approval for entering into Material Related Party Transaction with Eros Worldwide FZ LLC.

Resolutions Passed by way of conducting the Postal Ballot:

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

No special resolution is proposed to be conducted through postal ballot.

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. 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. The transcript of the said Conference call are uploaded on the website of the Company.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting	
Day	Thursday
Date	29 September, 2016
Time	2.30 p.m.
Venue	The Club, 197, D. N. Nagar, Andheri (West), Mumbai - 400 053
Financial calendar (tentative)	
Audited Annual Results of previous year ended 31 March, 2016	Fourth week of May, 2016
1 st quarter results for quarter ending June, 2016	*On or before 14 August, 2016
2 nd quarter results for quarter ending September, 2016	*On or before 14 November, 2016
3 rd quarter results for quarter ending December, 2016	On or before 14 February, 2017
Last quarter results for quarter ending March, 2017	On or before 30 May, 2017
Financial year	1 April, 2016 to 31 March, 2017
Book Closure Dates	Thursday, 22 September, 2016 till Thursday, 29 September, 2016.
Listing of equity shares at Stock Exchanges	<p>BSE Limited Pheeroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001 Tel No:-91-22-22721233/1234 Fax No:-91-22-22721919</p> <p>National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot no- C Block , G Block, Bandra Kurla Complex, Mumbai - 400 051 Tel No:- +91-22-26598100-8114 Fax No:- +91-22-26598120</p>
Stock Codes	BSE - 533261 NSE – EROSMEDIA
ISIN Number	INE416L01017
Corporate Identification Number (CIN)	L99999MH1994PLC080502

*As per SEBI circular dated 5 July, 2016, the date for submission of financial results for the first two quarters has been extended till 14 September, 2016 & 14 December 2016 respectively for compliance of Ind AS.

The annual listing fees for the financial year 2016-17 to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) has been paid by the Company within the prescribed time.

The annual custodian fees for the financial year 2016-17 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) has been paid by the Company within the prescribed time.

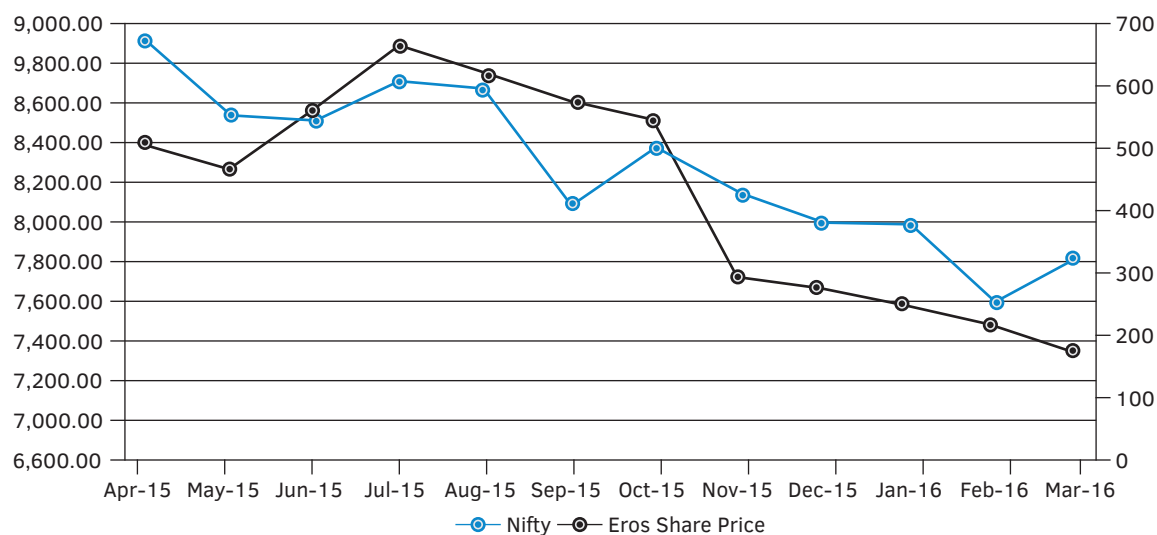
Corporate Governance Report (contd.)

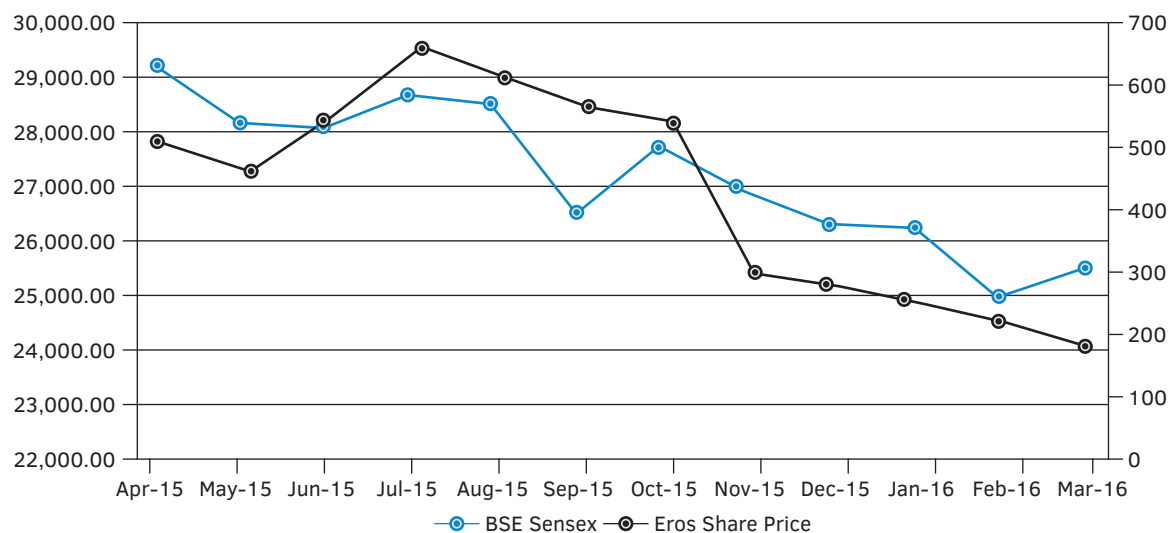
MARKET PRICE DATA

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, 2015 to 31 March, 2016 are stated below:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Price (₹)	Low Price (₹)	Volume	High Price (₹)	Low Price (₹)	Volume
Apr 15	494	402.3	8,15,405	494.5	401.5	32,09,078
May 15	453.5	343	6,01,839	453.9	342.3	40,47,744
Jun 15	539.7	412.3	13,35,400	539.9	411.5	94,39,765
Jul 15	644.4	430.2	32,11,435	644	430.6	184,32,289
Aug 15	602	425	12,79,286	601.5	425.5	80,79,432
Sep 15	554.9	470	7,77,537	556.8	469	45,43,271
Oct 15	530	277.5	26,17,235	532.2	343.2	1,66,02,209
Nov 15	291.5	203.2	79,49,923	291.9	203.1	3,72,96,471
Dec 15	274	224.8	55,75,958	273.8	224.5	2,12,56,521
Jan 16	248	162	29,34,083	248	160.9	1,06,78,484
Feb 16	219.5	125.9	49,36,009	219.5	125.8	2,05,62,430
Mar 16	180	130.9	49,27,480	180	130.8	1,91,85,703

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-13 Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West),
Mumbai - 400 078
Tel: +91 - 22 - 25946970
Fax: +91 - 22 - 25946969
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH, 2016

Shares Holding of Shares	No. of Shareholders	% to total
1-5000	44,456	93.69
5001-10000	1,534	3.23
10001-20000	700	1.47
20001-30000	237	0.50
30001-40000	98	0.21
40001-50000	93	0.20
50001-100000	155	0.33
100001 and above	178	0.37
Total	47,451	100

PLEDGE OF SHARES

No Pledge has been created over the Equity Shares held by the Promoters and/or Promoters Group Shareholders as on 31 March, 2016.

DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31 MARCH, 2016

The securities of the Company are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company representing 99.99% of the Company's Equity Share Capital are in dematerialised form as on 31 March, 2016 and the entire promoters holding was in dematerialised form as on 31 March, 2016.

Break up of shares in physical and demat form as on 31 March, 2016 is as follows:

	Number of shares	% of Total number of shares
Physical segment	3	0.00
Demat segment		
NSDL	8,83,47,167	94.40
CDSL	52,41,994	5.60
Total	9,35,89,164	100

The Company's Equity Shares are regularly traded on BSE Limited and 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 13 May, 2016. 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 3 September, 2015 (date of last Annual General Meeting) on the Company's website at www.erosintl.com and on the website of the Ministry of Corporate Affairs.

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

Address for General Correspondence

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

OTHER DISCLOSURES

Disclosure on Material Related Party Transactions:

During the year, there were no transactions of materially significant nature with the Promoters or Directors or the Management or the subsidiaries or relatives etc. that

had potential conflict with the interests of the Company at large. A statement of summary of related party transactions is duly disclosed in the Notes to accounts.

Details of Non Compliance:

No penalties have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities on any matter related to Capital markets during the last three (3) years.

Whistle Blower Policy:

The Whistle Blower Mechanism (vigil mechanism) in the Company enables all the directors, employees and its stakeholders, to report the 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.

Others:

- ⦿ During the year ended 31 March, 2016, Dr. Shankar Nath Acharya, Independent Director had resigned from the Board, and as such, the vacancy was filled within 180 days from the day of such resignation.
- ⦿ The Company has in place the Succession Policy for appointments at the Board and Senior Management level.

SUBSIDIARIES

As on 31 March, 2016, 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.

Financial statements, in particular the investments made by the unlisted subsidiaries, statement containing all significant transactions and arrangements entered in to by

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

RELATED PARTY TRANSACTION

A policy on materiality of Related Parties and dealings with Related Party Transactions has been formulated by the Board of Directors and has also been uploaded on the website of the Company at 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 (KMP), 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 2015-16 have been received by the Company and certificate to that effect from the Executive Vice Chairman and Managing Director is annexed hereto and forming part of this Report.

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

The Code is uploaded on the Company’s website at 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.

Corporate Governance Report (contd.)

B. Separate posts of chairperson and Managing Director

The Company has appointed separate person 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 on 9 November, 2015 in place of M/s Ernst and Young, Chartered Accountant. Internal Auditors reviews the adequacy and effectiveness of internal controls & governance process in the Company through periodic audits. The internal Audit Report contains their finding and suggestions for improvement and are periodically tabled before the Audit Committee for their review.

COMPLIANCE WITH CORPORATE GOVERNANCE MANDATORY REQUIREMENTS

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

OTHER DISCLOSURES

- ⊙ No treatment different from the accounting standards, prescribed by the Institute of Chartered Accountants of India, has been followed in the preparation of financial statements.
- ⊙ The Company has in place the mechanism to inform Board members about the risk assessment and minimisation procedures and periodical reviews to ensure that risk is controlled by the Executive Management.
- ⊙ During the year, the Company did not make any public issue, right issue, preferential issue, etc. and hence it did not receive any proceeds from any such issues. The proceeds received from public issue made in 2010, were appropriately utilized.
- ⊙ During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

- ⊙ The Company is fully compliant with the applicable mandatory requirements 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. 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, 2016.

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.

All Independent Directors have confirmed to the Company that they have adhered to and complied with the said Code for the financial year ended 31 March, 2016.

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, 2016.

For and on behalf of the Board

Sunil Lulla

Executive Vice Chairman and Managing Director

Date : 27 May, 2016

Place : Mumbai

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, 2016,

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

Sunil Lulla

Executive Vice Chairman and Managing Director

Date:- 27 May, 2016

Place:- Mumbai

Dinesh Modi

Group Chief Financial Officer (India)

Corporate Governance Report (contd.)

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER CLAUSE 49 OF LISTING AGREEMENT AND 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, 2016 in Clause 49 of Listing Agreement and 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 Clause 49 of the above mentioned Listing Agreement and 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

Date:- 18 May, 2016
Place:- Mumbai

EQUITY SHARES IN THE SUSPENSE ACCOUNT

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

Sr. No.	Particulars	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (1 April, 2015)	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; (31March, 2016)	4 Shareholders	169 Equity Shares

The voting rights on the shares in the suspense accounts as on 31 March, 2016 shall remain frozen till the rightful owners of such shares claim the shares.

Financial Statements

STANDALONE

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CONSOLIDATED

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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 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section

143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by the Companies (Auditor's Report) Order, 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.
10. Further to our comments in annexure A, 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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 of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 27 May 2016 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. as detailed in Note 21 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Walker Chandiok & Co LLP**
 (Formerly Walker, Chandiok & Co)
 Chartered Accountants
 Firm's Registration No.: 001076N/N500013

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

Place : Mumbai
 Date : 27 May 2016

Annexure A

to the Independent Auditor's Report of even date to the members of Eros International Media Limited, on the financial statements for the year ended 31 March 2016

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 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 are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory 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; and with respect to the same:
- (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;
- (b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular;
- (c) there is no overdue amount in respect of loans granted to such companies, firms, or other parties.
- (iv) In our opinion, 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, duty of excise, 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	1,567.44	Assessment Year 2015-2016	30 November 2015	Unpaid
Income Tax Act, 1961	Advance Income Tax	723.91	Assessment Year 2016-2017	15 September 2015	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 (₹ in lakhs)	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	7.28	-	Financial Year 2007-08	Deputy Commissioner of sales tax (Appeals)
Maharashtra Value Added Tax, 2002	Sales tax	776.64	-	Financial Year 2007-08	Deputy 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	455.70	-	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	2.35	-	Assessment Year 2002-03	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	3.41	-	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	CESTAT

(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 accounting standards.

(xiv) During the year, the Company has made preferential allotment. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder.

(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 Chandiook & Co LLP**
(Formerly Walker, Chandiook & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**

Place : Mumbai
Date : 27 May 2016

Partner
Membership No.: 108840

Annexure B to the 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 2016, 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 the criteria established by the Company considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 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 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 2016, based on the 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.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**

Place : Mumbai

Partner

Date : 27 May 2016

Membership No.: 108840

Balance Sheet

as at 31 March 2016

₹ in lakhs

	Notes	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	9,358	9,250
Reserves and surplus	4	109,539	93,695
		118,897	102,945
Non-current liabilities			
Long-term borrowings	5	10,609	9,533
Deferred tax liabilities (net)	6	28,816	25,452
Other long-term liabilities	7	107	101
Long-term provisions	8	254	213
		39,786	35,299
Current liabilities			
Short-term borrowings	9	22,972	30,993
Trade payables		11,906	4,647
Other current liabilities	10	52,397	36,806
Short-term provisions	11	3,101	1,816
		90,376	74,262
Total		249,059	212,506
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	3,729	4,082
Intangible assets	13	91,574	82,389
Capital work in progress		409	-
Content advances	13	109,468	77,809
Film under production		854	5
Non-current investments	14	5,543	2,043
Long-term loans and advances	15	16,073	13,616
Other non-current assets	16	574	382
		228,224	180,326
Current assets			
Inventories	17	307	104
Trade receivables	18	12,527	22,958
Cash and bank balances	19	2,925	3,854
Short-term loans and advances	15	2,808	3,674
Other current assets	20	2,268	1,590
		20,835	32,180
Total		249,059	212,506

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

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

For and on behalf of Board of directors

For **Walker Chandio & Co LLP**

(formerly known as Walker, Chandio & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No: 108840

Place: Mumbai

Date : 27 May 2016

Sunil Lulla

Executive Vice Chairman and

Managing Director

(DIN: 00243191)

Dinesh Modi

Group Chief Financial Officer (India)

Place: Mumbai

Date : 27 May 2016

Naresh Chandra

Non-Executive Chairman and

Independent Director

(DIN: 00015833)

Dimple Mehta

Vice President - Company Secretary

and Compliance Officer

Statement of Profit and Loss

for the year ended 31 March 2016

₹ in lakhs

	Notes	Year ended 31 March 2016	Year ended 31 March 2015
REVENUE			
Revenue from operations (net)	22	117,868	107,170
Other income	23	1,334	1,901
Total revenue		119,202	109,071
EXPENSES			
Purchases/ operating expenses	24	88,195	74,698
Changes in inventories	25	(203)	18
Employee benefits expense	26	4,456	3,441
Finance costs	27	3,372	3,844
Depreciation and amortisation expense	28	545	662
Other expenses	29	4,707	6,621
Total expenses		101,072	89,284
Profit before tax		18,130	19,787
Tax expense			
Current tax		3,975	4,152
Deferred tax		3,363	4,934
Minimum alternate tax credit		(456)	(1,875)
Short/(excess) provision of earlier years		(71)	157
		6,811	7,368
Profit after tax for the year		11,319	12,419
Earnings per share			
Basic (in ₹)	30	12.15	13.46
Diluted (in ₹)	30	12.05	13.28

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

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

For and on behalf of Board of directors

For Walker Chandiook & Co LLP

(formerly known as Walker, Chandiook & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No: 108840

Place: Mumbai

Date : 27 May 2016

Sunil Lulla

Executive Vice Chairman and

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Group Chief Financial Officer (India)

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Date : 27 May 2016

Naresh Chandra

Non-Executive Chairman and

Independent Director

(DIN: 00015833)

Dimple Mehta

Vice President - Company Secretary
and Compliance Officer

Cash Flow Statement

for the year ended 31 March 2016

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	18,130	19,787
Non-cash adjustments to reconcile Profit before tax to net cash flows		
Depreciation and amortisation	53,542	40,353
Trade receivables written off	792	2,315
Sundry balances written back	(36)	(918)
Content advances written off	276	769
Advances and deposits written off	-	417
Provision for doubtful trade receivables	40	66
Sundry balances written off*	0	1
Finance costs	3,522	3,980
Provision for employee benefits	40	75
Interest income	(1,021)	(402)
(Gain) on sale of tangible assets (net)	(1)	(6)
Net loss on sale of current investments*	0	-
Expense on employee stock option scheme	1,062	469
Unrealised foreign exchange gain	296	595
Operating profit before working capital changes	76,642	67,501
Movements in working capital:		
Increase in trade payables	6,638	2,014
Increase in other current liabilities	13,835	21,736
Increase/(Decrease) in short-term provisions	(6)	70
Decrease in inventories	48	19
(Increase)/Decrease in trade receivables	7,479	(7,567)
Decrease in short-term loans and advances	867	1,043
(Increase) in other current assets	(654)	(1,059)
(Increase) in long-term loans and advances	(1,766)	(2,323)
Cash generated from operations	103,083	81,434
Taxes paid (net)	(2,664)	(5,340)
Net cash generated from operating activities (A)	100,419	76,094
Cash flow from investing activities		
Purchase of tangible assets	(497)	(347)
Purchase of intangible film rights and related content	(85,380)	(87,052)
Deposits with banks (net)	(247)	(21)
Advance given to an undertaking	-	(1,500)
Proceeds from sale of fixed assets	2	19
Purchase of long term investments	-	(1)
Net cash used in investing activities (B)	(86,122)	(88,902)

Cash Flow Statement

for the year ended 31 March 2016

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
Cash flows from financing activities		
Proceeds from issue of equity shares (net)	71	816
Repayment of long-term borrowings	(6,142)	(6,179)
Proceeds from long-term borrowings	9,024	7,612
Proceeds from short-term borrowings	30,041	40,816
Repayment of short-term borrowings	(45,651)	(36,914)
Net change in other short-term borrowings	1,870	(1,574)
Interest income	888	399
Finance charges (net)	(5,383)	(3,648)
Net cash used/ Generated in financing activities (C)	(15,282)	1,328
Net decrease in cash and cash equivalents (A + B + C)	(985)	(11,480)
Cash and cash equivalents at the beginning of the year	2,704	14,184
Cash and cash equivalents at the end of the year	1,719	2,704
*amount represents less than ₹ one lakh		

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

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

For and on behalf of Board of directors

For **Walker Chandiook & Co LLP**

(formerly known as Walker, Chandiook & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No: 108840

Place: Mumbai

Date : 27 May 2016

Sunil Lulla

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Group Chief Financial Officer (India)

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(DIN: 00015833)

Dimple Mehta

Vice President - Company Secretary

and Compliance Officer

Summary of Significant Accounting Policies

and other explanatory information notes to the financial statements

1 CORPORATE INFORMATION

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

2 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I. Basis of preparation

The Company is engaged in the business of sourcing Indian film content either through acquisition, co-production or production of such films, and subsequently exploiting and distributing such films in India through music release, theatrical distribution, DVD and VCD release, television licensing and new media distribution avenues such as cable or DTH licensing; and trading and exporting overseas rights to its parent Eros Worldwide FZ LLC.

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

The accounting policies have been consistently applied unless otherwise stated.

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

II. Use of estimates

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

III. Significant accounting policies

(a) Revenue recognition

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

Summary of Significant Accounting Policies

and other explanatory information notes to the financial statements

rendered at relevant stages of production of the film, in accordance with terms of agreement.

(b) Other income

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

(c) Tangible assets and depreciation

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

(d) Intangible assets and amortisation

- ⦿ Investment in film and associated rights are recorded at their acquisition costs less accumulated amortisation and impairment losses, if any. Cost includes acquisition and production cost, direct overhead cost, capitalized foreign currency exchange differences and capitalized interest. When ready for exploitation, advances granted to secure rights are transferred to film rights. These rights are amortised over the estimated useful lives, writing off more in year one which recognises initial income flows and then the balance over a period of up to nine years, or the remaining life of the content rights, whichever is less. Amortisation of film rights

is presented under 'purchases/ operating expenses'.

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

The management regularly reviews, and revises when necessary, its estimates, which may result in a change in the rate of amortisation and/or a write down of the asset to the recoverable amount.

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

(e) Borrowing costs

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

(f) Content advances

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

(g) Investments

- ⦿ Investments that are readily realisable and intended to be held for not more than a year

Summary of Significant Accounting Policies

and other explanatory information notes to the financial statements

are classified as current investments. All other investments are classified as long-term investments.

- ⦿ Current investments are carried at lower of cost and fair value determined on an individual investment basis.
- ⦿ Long-term investments are carried at cost. However, provision for diminution in the value of investments, if any, is made to recognise a decline, other than temporary in nature.

(h) Inventories

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

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

(i) Impairment of assets

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

in prior accounting periods may no longer exist or may have decreased.

(j) Provisions and contingencies

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

(k) Employee benefits

- ⦿ **Defined contribution plan**
Provident fund: The Company's contributions paid or payable during the year to the provident fund and employee's state insurance corporation are recognised 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

Summary of Significant Accounting Policies

and other explanatory information notes to the financial statements

separately to build up the final obligation. The cost for past services is recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Compensated absences: Accumulated compensated absences are expected to be availed or encashed within 12 months from the end of the year and are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

⦿ Employee stock option compensation

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

(l) Leases

The Company has evaluated all existing leases as 'Operating leases'. Aggregate of lease rentals payable under non-cancellable operating lease arrangements (over the initial and subsequent periods of lease) are charged to the Statement of Profit and Loss on a straight line basis over the non-cancellable period of the lease.

(m) Foreign currency transactions

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

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

(n) Taxes on income

Income tax expense comprises current income tax and deferred tax.

⦿ Current taxes

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

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

⦿ Deferred taxes

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

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

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

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

⦿ **Minimum Alternative Tax ('MAT')**

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

which MAT credit is allowed to be carried forward. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(o) **Earnings per share**

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

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

(p) **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments which are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. Cash credits are shown within borrowings in current liabilities on the Balance sheet.

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₹ in lakhs

	As at 31 March 2016		As at 31 March 2015	
	Number	Amounts	Number	Amounts
3 SHARE CAPITAL				
Authorised share capital				
Equity shares of ₹ 10 each	125,000,000	12,500	125,000,000	12,500
	125,000,000	12,500	125,000,000	12,500
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	93,589,164	9,358	92,507,274	9,250
Total	93,589,164	9,358	92,507,274	9,250
a) Reconciliation of paid up share capital (Equity Shares)				
Balance at the beginning of the year	92,507,274	9,250	91,973,190	9,197
Add: Shares issued during the year (refer note below)	1,081,890	108	534,084	53
Balance at the end of the year	93,589,164	9,358	92,507,274	9,250

During the year, the Company has issued total 180,920 shares (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 ₹ 378.47 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

	As at 31 March 2016		As at 31 March 2015	
	Number	Amounts	Number	Amounts
Equity shares of ₹ 10 each				
Eros Worldwide FZ LLC - the Holding Company	47,126,290	4,713	47,126,290	4,713
Eros Digital Private Limited - fellow subsidiary	21,700,000	2,170	21,700,000	2,170

c) Details of Shareholders holding more than 5% of the shares

	As at 31 March 2016		As at 31 March 2015	
	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	50.35%	47,126,290	50.94%
Eros Digital Private Limited - fellow subsidiary	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 1,281,194 shares (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

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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.

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
4 RESERVES AND SURPLUS		
Securities premium		
Balance at the beginning of the year	31,861	30,995
Add: Additions for ESOP exercised during the year	53	763
Add: Additions for issue of shares for Techzone acquisition (refer note 3a)	3,410	-
Add: Transfer from share option outstanding account	409	103
Balance at the end of the year	35,733	31,861
Share options outstanding account		
Balance at the beginning of the year	950	584
Less: Transfer to securities premium account	(409)	(103)
Add: Employee Stock Option Compensation Expense	1,062	469
Balance at the end of the year	1,603	950
General reserve		
Balance at the beginning of the year	526	586
Less: Impact on depreciation expense on transition to Schedule II	-	(60)
Balance at the end of the year	526	526
Surplus in the Statement of profit and loss		
Balance at the beginning of the year	60,358	47,939
Add: Net profit after tax for the year	11,319	12,419
Balance at the end of the year	71,677	60,358
Total	109,539	93,695

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
5 LONG-TERM BORROWINGS		
Secured		
Term loan from banks*	18,992	16,091
Car loans#	68	87
	19,060	16,178
Less: Current maturities disclosed under other current liabilities (refer note 10)	(8,451)	(6,645)
Total	10,609	9,533

*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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	As at 31 March 2016	As at 31 March 2015
₹ in lakhs		
6 DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability on		
Depreciation on tangible assets	156	150
Amortisation of intangible assets	29,432	26,026
Total	29,588	26,176
Deferred tax asset on		
Provision for expenses allowed on payment basis	675	652
Others	97	72
Total	772	724
Deferred tax liabilities (net)	28,816	25,452

	As at 31 March 2016	As at 31 March 2015
₹ in lakhs		
7 OTHER LONG-TERM LIABILITIES		
Trade payables to related party (refer note 33 and 38)	104	98
Security deposits	3	3
Total	107	101

	As at 31 March 2016	As at 31 March 2015
₹ in lakhs		
8 LONG-TERM PROVISIONS		
Provision for gratuity (refer note 31)	254	213
Total	254	213

	As at 31 March 2016	As at 31 March 2015
₹ in lakhs		
9 SHORT-TERM BORROWINGS		
Repayable on demand		
Secured		
From banks	21,030	14,598
Unsecured		
From others	1,520	16,000
From related parties (refer note 33)	422	395
Total	22,972	30,993

Secured short term borrowings include:

Cash credit, secured by way of hypothecation of inventories and receivables relating to domestic rights operations on pari passu basis.

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

Drawee bills discounted secured by assignment of film processing laboratory letter conveying rights on the negative of the particular film being co-produced.

Packing credit, secured by hypothecation of films and film rights with first pari passu charge on current assets.

Short term borrowings are further secured by:

- Equitable mortgage of Company's immovable properties situated at Mumbai, India;
- Amount held in margin money;
- Corporate guarantee of Eros International PLC, the ultimate holding company;
- Residual value of equipments; and
- Existing rights of Hindi films with nil book value.

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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	As at 31 March 2016	As at 31 March 2015
₹ in lakhs		
10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (refer note 5)	8,451	6,645
Interest accrued and due	122	203
Unclaimed dividend	1	1
Advances from customers		
- Related parties (refer note 33)	26,660	25,269
- others	10,940	1,371
Duties and taxes payable	4,875	1,787
Other payables	1,348	1,530
Total	52,397	36,806

	As at 31 March 2016	As at 31 March 2015
₹ in lakhs		
11 SHORT-TERM PROVISIONS		
Provision for employee benefits	255	262
Provision for tax (net of advance tax and TDS)	2,846	1,554
Total	3,101	1,816

	Buildings	Furniture and fixtures	Motor Vehicles	Office equipment	Data processing equipment	Studio equipment	Total
₹ in lakhs							
12 TANGIBLE ASSETS							
Gross block							
Balance as at 1 April 2014	4,108	571	343	99	431	1,491	7,043
Additions	-	4	139	24	163	17	347
Adjustments/ disposals*	-	-	(146)	(2)	0	(2)	(150)
Balance as at 31 March 2015	4,108	575	336	121	594	1,506	7,240
Additions	-	7	29	22	111	-	169
Adjustments/ disposals	-	-	(13)	-	-	-	(13)
Balance as at 31 March 2016	4,108	582	352	143	705	1,506	7,396
Accumulated depreciation							
Balance as at 1 April 2014	621	307	270	52	323	1,058	2,631
Depreciation charge	170	113	54	30	103	130	600
Adjustments/ disposals	-	6	(133)	13	9	32	(73)
Balance as at 31 March 2015	791	426	191	95	435	1,220	3,158
Depreciation charge	161	65	56	19	131	90	522
Adjustments/ disposals	-	-	(13)	-	-	-	(13)
Balance as at 31 March 2016	952	491	234	114	566	1,310	3,667
Net block							
Balance as at 31 March 2015	3,317	149	145	26	159	286	4,082
Balance as at 31 March 2016	3,156	91	118	29	139	196	3,729

*amount represents less than ₹ one lakh

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	Film Rights	Others	Total	Content advances
₹ in lakhs				
13 INTANGIBLE ASSETS				
Gross block				
Balance as at 1 April 2014	250,424	151	250,575	46,845
Additions	55,143	-	55,143	107,327
Adjustments	-	-	-	(75,594)
Amount written off	-	-	-	(769)
Balance as at 31 March 2015	305,567	151	305,718	77,809
Additions	62,178	27	62,205	109,221
Adjustments	-	-	-	(77,286)
Amount written off	-	-	-	(276)
Balance as at 31 March 2016	367,745	178	367,923	109,468
Accumulated amortisation				
Balance as at 1 April 2014	183,519	57	183,576	
Amortisation charge	39,691	62	39,753	
Balance as at 31 March 2015	223,210	119	223,329	
Amortisation charge	52,997	23	53,020	
Balance as at 31 March 2016	276,207	142	276,349	
Net block				
Balance as at 31 March 2015	82,357	32	82,389	77,809
Balance as at 31 March 2016	91,538	36	91,574	109,468

	As at 31 March 2016 Non-current	As at 31 March 2015 Non-current
₹ in lakhs		
14 NON CURRENT INVESTMENTS		
Non-trade (valued at cost)		
Equity shares in subsidiary companies (unquoted)		
Eros International Films Private Limited		
19,930,300 (Previous Year 19,930,300) equity shares of ₹ 10 each, fully paid-up	1,993	1,993
Eros Animation Private Limited		
9,300 (Previous Year 9300) equity shares of ₹ 10 each, fully paid-up	1	1
Copsale Limited		
105,000 (Previous Year 105,000) equity shares of USD 1 each, fully paid-up	45	45
Big Screen Entertainment Private Limited		
6,400 (Previous Year 6,400) equity shares of ₹ 10 each, fully paid-up	1	1
EyeQube Studios Private Limited		
9,999 (Previous Year 9,999) equity shares of ₹ 10 each, fully paid-up	1	1
EM Publishing Private Limited		
9,900 (Previous Year 9,900) equity shares of ₹ 10 each, fully paid-up	1	1
Digicine PTE Limited*		
100 (Previous Year 100) equity shares of USD 1 each, fully paid-up	0	0

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	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
	Non-current	Non-current
Colour Yellow Productions Private Limited		
5,000 (Previous Year 5,000) equity shares of ₹ 10 each, fully paid-up	1	1
Universal Power Systems Private Limited (refer note 3a)		
1,000 (Previous Year Nil) equity shares of ₹ 100 each, fully paid-up	3,500	-
Total	5,543	2,043

*amount represents less than ₹ one lakh

	₹ in lakhs			
	As at 31 March 2016		As at 31 March 2015	
	Long-term	Short-term	Long-term	Short-term
15 LOANS AND ADVANCES				
Unsecured, considered good				
Security deposits				
- Related parties (refer note 33)	676		704	-
- Others	105	-	137	-
MAT credit recoverable	9,337	-	8,881	-
Advance payment of taxes	326	-	443	-
Balances with statutory authorities	3,283	-	2,032	-
Amounts due from related parties (refer note 33)	614	1,297	39	821
Loans and advances to employees	-	171	-	275
Other loans and advances				
Considered good	1,732	1,340	1,380	2,578
Total	16,073	2,808	13,616	3,674

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
16 OTHER NON-CURRENT ASSETS		
Bank deposits with maturity of more than twelve months	574	382
Total	574	382

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
17 INVENTORIES		
Film Rights	251	-
VCD/ DVD/ Audio CDs	56	104
Total	307	104

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	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
18 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date due for payment, unsecured		
considered good	2,151	3,376
considered doubtful	106	66
	2,257	3,442
Less : Provision for doubtful receivables	(106)	(66)
	2,151	3,376
Other debts		
Unsecured, considered good		
Dues from related parties (refer note 33)	6,940	15,098
Dues from others	3,436	4,484
	10,376	19,582
Total	12,527	22,958

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
19 CASH AND BANK BALANCES		
Cash and cash equivalents		
a. Cash on hand	8	16
b. Cheques on hand	72	667
c. Balances with banks		
i) On current account	1,638	1,665
ii) On deposit account (with original maturity of less than three months)	1	356
	1,719	2,704
Other bank balances		
i) Unpaid dividend account	1	1
ii) Bank deposits with:		
maturity less than twelve months	-	57
iii) Margin money accounts with*		
maturity less than twelve months	1,205	1,092
maturity more than twelve months	574	382
	1,780	1,532
Less: disclosed under other non-current assets (refer note 16)	(574)	(382)
Total	2,925	3,854

* Margin money accounts represent deposits lien marked against borrowings

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
20 OTHER CURRENT ASSETS		
Prepaid expenses	398	785
Unbilled revenue	1,740	699
Accrued interest	130	106
Total	2,268	1,590

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

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
(a) Contingent liabilities		
(i) Claims against the Company not acknowledged as debt		
Sales tax claims disputed by the Company	-	314
Service tax on non-theatrical sales	31,350	15,675
Income tax liability that may arise in respect of matters in appeal	61	43
(ii) Guarantees		
Guarantee given in favor of various government authorities	25	86
	31,436	16,118

Notes:

1 During the previous year ended 31 March 2015, the Company received a show cause notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 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. 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.

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 Company to estimate the timing of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.

4 From time to time, the 'Company' is involved in legal proceedings arising in the ordinary course of its business, typically intellectual property litigation and infringement claims related to the Company's feature films and other commercial activities, which could cause the Company to incur expenses or prevent the Company from releasing a film. While the resolution of these matters cannot be predicted with certainty, the Company does not believe, based on current knowledge or information available, that any existing legal proceedings or claims are likely to have a material and adverse effect on its financial position, results of operations or cash flows.

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

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account	128,365	126,156
	128,365	126,156
Total	159,801	142,274

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
22 REVENUE FROM OPERATIONS (NET)		
Revenue from distribution and exhibition of film and other rights	117,773	106,719
Revenue from services	95	451
Total	117,868	107,170

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	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
23 OTHER INCOME		
Sundry balances written back	28	918
Interest income	871	265
Other non-operating income	426	400
Gain on foreign currency transactions and translation (net)	-	312
Gain on sale of tangible assets (net)	1	6
Bad debts recovered	8	-
Total	1,334	1,901

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
24 PURCHASES/ OPERATING EXPENSES		
Amortisation of film rights (refer note 13)	52,997	39,691
Film rights cost	24,436	21,220
Print and digital distribution cost	2,509	2,736
Selling and distribution expenses	7,284	10,238
Processing and other direct cost	668	496
Shipping, packing and forwarding expenses	203	189
Home entertainment products related cost	98	128
Total	88,195	74,698

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
25 CHANGES IN INVENTORIES		
Opening stock		
- Finished goods	104	122
	104	122
Closing stock		
- Finished goods	307	104
	307	104
Total	(203)	18

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
26 EMPLOYEE BENEFITS EXPENSE		
Salaries and bonus	3,093	2,735
Contribution to provident and other funds (refer note 31)	204	117
Gratuity expense (refer note 31)	47	81
Employee stock option compensation (refer note 31)	1,062	469
Staff welfare expenses	50	39
Total	4,456	3,441

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	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
27 FINANCE COSTS		
Interest expense	4,928	5,378
Other borrowing costs	266	278
Interest on late payment of taxes	277	228
	5,471	5,884
Less: Interest capitalised to film rights	(1,949)	(1,903)
Less: Interest income	(150)	(137)
Total	3,372	3,844

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
28 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on tangible assets (refer note 12)	522	600
Amortisation on intangible assets (refer note 13)	23	62
Total	545	662

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
29 OTHER EXPENSES		
Power and fuel	69	78
Rent	705	363
Repairs and maintenance	141	205
Insurance	54	23
Rates and taxes	67	39
Legal and professional	1,220	1,488
Payments to auditors (refer note 37)	132	52
Provision for doubtful receivables (refer note 18)	40	66
Communication expenses	103	72
Travelling and conveyance	350	435
Content advances written off (refer note 13)	276	769
Advances and deposits written off	-	417
Trade receivables written off	792	2,315
Loss on foreign currency transactions and translation (net)	203	-
CSR expenditure (Refer note 40)	20	55
Miscellaneous expenses	535	244
Total	4,707	6,621

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	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
30 EARNINGS PER SHARE		
a) Computation of net profit for the year		
Profit after tax attributable to equity shareholders (₹ in lakhs)	11,319	12,419
b) Computation of number of shares for Basic Earnings per share		
Weighted average number of equity shares	93,187,916	92,277,558
Total	93,187,916	92,277,558
c) Computation of number of shares for Diluted Earnings per share		
Weighted average number of equity shares	93,968,886	93,498,796
Total	93,968,886	93,498,796
d) Nominal value of shares	10	10
e) Computation		
Basic	12.15	13.46
Diluted	12.05	13.28

31 EMPLOYMENT BENEFITS

a) Gratuity

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

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
I Change in projected benefit obligation		
Liability at the beginning of the year	249	174
Interest cost	20	17
Current service cost	41	20
Benefits paid	(6)	(6)
Actuarial loss on obligations	(14)	44
Liability at the end of the year	290	249
Current portion	36	36
Non-current portion	254	213
II Recognised in Balance Sheet		
Liability at the end of the year	(290)	(249)
Amount recognised in Balance Sheet	(290)	(249)
III Expense recognised in Statement of Profit and loss		
Current service cost	41	20
Interest cost	20	17
Actuarial loss	(14)	44
Expense recognised in Statement of Profit and loss	47	81
IV Assumptions used		
Discount rate	8.07%	7.96%
Long-term rate of compensation increase	10.00%	10.00%
Attrition Rate	2.00%	2.00%
Expected average remaining working life	18.00	17.00

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and other explanatory information notes to the financial statements

₹ in lakhs

	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012
V Experience Adjustment					
(Gain)/Loss on plan liability	(10)	10	5	21	(7)
Defined Benefit Obligations at the end of the year	290	249	174	131	81

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

b) Compensated absences

The Company incurred ₹ 63 lakhs (Previous year ₹ 65 lakhs) towards accrual for compensated absences during the year.

c) Provident fund

The Company contributed ₹ 193 lakhs (Previous year ₹ 113 lakhs) to the provident fund plan, ₹ 3 lakhs (Previous year ₹ 4 lakhs) to the Employee state insurance plan and ₹ 8 lakhs (Previous year ₹ Nil) to the National Pension Scheme during the year.

d) Employee stock compensation (ESOP 2009 Scheme):

The Company has instituted Employees' Stock Option Plan "ESOP 2009" under which the stock options have been granted to employees. The scheme was approved by the shareholders at the Extra Ordinary General Meeting held on 17 December 2009.

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

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	1,437,400	52	1,397,682	120
Granted during the year	966,009	10	691,961	10
Lapsed during the year	(26,274)	10	(118,159)	147
Exercised during the year	(180,920)	39	(534,084)	153
Outstanding at the end of the year	2,196,215	35	1,437,400	52
Exercisable at the end of the year	632,566	77	413,337	82

*WAEP denotes weighted average exercise price of the option

For the options exercised during the year, the weighted average share price at the exercise date was ₹ 39 per share (31 March 2015: ₹ 153 per share)

The range of exercise prices for the options outstanding at the end of the year was ₹ 10 to ₹ 175 per share (31 March 2015: ₹ 10 to ₹ 175 per share).

The Company incurred ₹ 1,062 lakhs (Previous year ₹ 469 lakhs) towards employees stock compensation plan during the year.

The weighted average fair value of stock options granted during the year was ₹ 189.19 (31 March 2015: ₹ 303). Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Date of grant						
	17-Dec-09	12-Aug-10	01-Jul-12	14-Oct-13	12-Nov-14	12-Feb-15	09-Feb-16
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility	75.00%	60.00%	44.00%	35.00%	40.11%	37.84%	46.46%
Risk free interest rate	6.30%	6.50%	8.36%	8.57%	8.50%	7.74%	7.49%
Exercise price	75-175	75-135	75	150	10	10	10
Expected life of options granted in years	5.25	5.25	5.50	4.50	As per Table 1.1		

Summary of Significant Accounting Policies

and other explanatory information notes to the financial statements

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.

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

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
Profit after tax attributable to equity shareholders	11,319	12,419
Add: ESOP cost using the intrinsic value method	1,062	469
Less: ESOP cost using the fair value method	1,130	547
Proforma profit after tax	11,251	12,341
Earnings per share		
Basic		
- As reported	12.15	13.46
- Proforma	12.07	13.37
Diluted		
- As reported	12.05	13.28
- Proforma	11.97	13.20

32 SEGMENT REPORTING

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

33 RELATED PARTY DISCLOSURES

a) Names of related parties

Relationship	Name
Ultimate holding company	Eros International PLC, Isle of Man
Holding company	Eros Worldwide FZ LLC, Dubai
Subsidiary companies	Eros International Films Private Limited
	Big Screen Entertainment Private Limited
	EyeQube Studios Private Limited
	EM Publishing Private Limited
	Eros Animation Private Limited
	Digicine PTE Limited
	Copsale Limited
	Colour Yellow Productions Private Limited
	Universal Power Systems Private Limited (w.e.f. 01-08-2015)

Summary of Significant Accounting Policies

and other explanatory information notes to the financial statements

Relationship	Name
	Ayngaran International Limited (Isle of Man)
	Ayngaran International UK Limited
	Ayngaran International Mauritius Limited
	Ayngaran International Media Private Limited
	Ayngaran Anak Media Private Limited
Fellow subsidiary companies	Eros Digital Private Limited
	Eros International Limited, United Kingdom
	Eros Digital FZ LLC
Key management personnel (KMP)	Mr. Sunil Lulla – Executive Vice Chairman and Managing Director
	Mr. Kishore Lulla – Executive Director
	Ms. Jyoti Deshpande – Executive Director
	Mr. Vijay Ahuja – Non Executive Director
	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
	M/s Eros International Distribution LLP

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
b) Transactions with related parties		
Sale of film rights		
Eros Worldwide FZ LLC	20,032	37,313
EM Publishing Private Limited	12	8
Copsale Limited	-	6,483
Universal Power Systems Private Limited	43	-
Total	20,087	43,804
Sale of prints/VCD/DVD		
Eros Worldwide FZ LLC	54	69
Total	54	69
Purchase of film rights		
Eros International Limited	127	-
Colour Yellow Productions Private Limited	6,188	-
Ayngaran International Media Private Limited	-	225
Total	6,315	225
Re-imburement of administrative expense		
Eros Worldwide FZ LLC	1,229	1,482
Eros Digital FZ LLC	376	-
Eros International Films Private Limited	12	12
Big Screen Entertainment Private Limited	20	-
Colour Yellow Productions Private Limited	-	2
Ayngaran Anak Media Private Limited*	0	-
Total	1,637	1,496

Summary of Significant Accounting Policies

and other explanatory information notes to the financial statements

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
*amount represents less than ₹ one lakh		
b) Transactions with related parties (Continued)		
Professional Fees Paid		
Universal Power Systems Private Limited	4	-
Total	4	-
Investment in		
Universal Power Systems Private Limited	3,500	-
Colour Yellow Productions Private Limited	-	1
Total	3,500	1
Rent paid		
Mr. Sunil Lulla	276	96
Mrs. Manjula K Lulla	36	36
Mr. Kishore Lulla	240	60
Total	552	192
Interest received		
EyeQube Studios Private Limited*	2	0
Total	2	0
*amount represents less than ₹ one lakh		
Interest paid		
EyeQube Studios Private Limited	-	3
Eros Digital Private Limited	43	40
Total	43	43
Salary, commission and perquisites* to KMPs		
Mr. Sunil Lulla	422	385
Mr. Kishore Lulla	105	96
Ms. Jyoti Deshpande**	96	87
Mrs. Krishika Lulla	89	70
Mr. Kamal Jain - Chief Financial Officer (upto 30 November 2014)	-	159
Mr. Dinesh Modi** - Chief Financial Officer (w.e.f. 11 November 2014)	81	29
Ms. Dimple Mehta**	37	28
Total	830	854

*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 ₹ 57 lakhs (Previous year ₹ 112 lakhs) charged to Statement of Profit and loss on account of stock compensation for awards granted.

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
Content advances given		
Eros International Limited	2,689	-
Eros International Films Private Limited	5,207	3,453
EyeQube Studios Private Limited	-	12
Colour Yellow Productions Private Limited	5,766	2,157
Total	13,662	5,622
Loan and advances given		
Ayngaran International Media Private Limited	48	-
EyeQube Studios Private Limited	4	-
Total	52	-

Summary of Significant Accounting Policies

and other explanatory information notes to the financial statements

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
Refund of content advances		
b) Transactions with related parties (Continued)		
Eros International Films Private Limited	2,670	1,727
Colour Yellow Productions Private Limited	730	1,923
Total	3,400	3,650
Recovery of loans and advances given		
EM Publishing Private Limited	15	-
Universal Power Systems Private Limited	500	-
Total	515	-
Trade advances/ loans taken		
Eros Worldwide FZ LLC	10,926	50,334
Eros Digital Private Limited	10	-
Eros International Limited	-	1,294
Total	10,936	51,628
Repayment of advances/ loans		
Eros Worldwide FZ LLC	9,535	25,584
EyeQube Studios Private Limited	-	40
Eros Digital Private Limited	12	-
Big Screen Entertainment Private Limited	-	1
Eros International Limited	-	1,294
Total	9,547	26,919
Deposits given		
Mr. Sunil Lulla	-	240
Mr. Kishore Lulla	-	240
Total	-	480
Refund of deposits		
Mr. Sunil Lulla	28	29
Total	28	29
c) Balances with related parties		
Trade balances due from		
Eros Worldwide FZ LLC	6,851	8,615
Copsale Limited	-	6,483
Ayngaran Anak Media Private Limited*	0	-
Universal Power Systems Private Limited	89	-
Total	6,940	15,098
*amount represents less than ₹ one lakh		
Trade balances due to		
Eros International Limited	104	98
Big Screen Entertainment Private Limited	309	329
Colour Yellow Productions Private Limited	3,282	-
Total	3,695	427
Advances/Loan due to		
Eros Worldwide FZ LLC	26,660	25,269
Eros Digital Private Limited	422	395
Total	27,082	25,664
Content advances given to		
Eros International Films Private Limited	7,164	4,614
Colour Yellow Productions Private Limited	2,466	394
Eros International Limited	2,689	-

Summary of Significant Accounting Policies

and other explanatory information notes to the financial statements

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
Total	12,319	5,008
Loans and advances due from		
Shivam Enterprises	39	39
EM Publishing Private Limited	33	35
Ayngaran International Media Private Limited	786	738
Digicine Pte Limited	35	32
EyeQube Studios Private Limited	17	13
Universal Power Systems Private Limited	1,000	-
Ms. Krishika Lulla	1	3
Total	1,911	857
Security Deposits/Amounts due from KMPs or their relatives		
Mr. Sunil Lulla	361	389
Ms. Manjula Lulla	75	75
Mr. Kishore Lulla	240	240
Total	676	704
Amounts due to KMPs or their relatives		
Mr. Sunil Lulla	88	30
Mr. Kishore Lulla	29	22
Ms. Manjula Lulla	66	45
Ms. Jyoti Deshpande	6	5
Total	189	102

Currency	Amount in ₹ lakhs		Exchange rate		Amount in ₹ lakhs	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
34 UNHEDEDGED FOREIGN CURRENCY EXPOSURE AS AT THE REPORTING DATE						
Receivable						
USD	183	133	66.18	62.34	12,111	8,307
SGD*	0	0	49.15	45.43	8	8
Payable						
USD	423	412	66.18	62.34	27,994	25,449

*amount represents less than SGD one lakh

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
35 EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)		
Export value of goods on FOB basis	20,894	44,299
Total	20,894	44,299

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
36 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)		
Professional and consultation fees	82	93
Others	139	228
Total	221	321

Summary of Significant Accounting Policies

and other explanatory information notes to the financial statements

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
37 AUDITORS' REMUNERATION		
As auditor		
Statutory audit (including IFCOFR)	81	29
Limited review	13	13
Tax audit	14	5
	108	47
In other capacity		
Other services (certification fees)	15	3
	15	3
Reimbursement of expenses	9	2
Total	132	52

- 38** Based on the information available with the Company, there are no dues payable as at the year end to micro, small and medium enterprises as defined in The Micro, Small & Medium Enterprises Development Act, 2006. This information has been relied upon by the statutory auditors of the Company.
- 39** The Company is engaged in the production and trading of film rights, which requires various types, qualities and quantities of raw materials and inputs in different denominations. Due to the multiplicity and complexity of items, it is not practicable to maintain quantitative record or continuous stock register, as the process of making films is not amenable to it. Hence, quantitative details are not maintained by the Company. This practice is generally followed by companies in the industry.
- 40** As per the provision of the Act, a Corporate Social Responsibility (CSR) committee has been formed by the Company. CSR objects chosen by the Company primarily consist of promoting education, promoting gender equality, empowering women, setting up homes and hostels for women and orphans etc. As per the provisions of the Act, gross amount required to be spent by the Company is ₹ 374 lakh (previous year ₹ 358 lakh), of which ₹ 20 lakhs (previous year ₹ 55 lakh) have been spent during the current year.

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

Chartered Accountants
Firm Registration No.: 001076N/N500013

Adi P. Sethna
Partner

Membership No: 108840

Place: Mumbai
Date : 27 May 2016

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: Mumbai
Date : 27 May 2016

Naresh Chandra
Non-Executive Chairman and
Independent Director
(DIN: 00015833)

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 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors of the 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 with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiary, are responsible for maintenance of adequate accounting records; safeguarding the assets; 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 sub-paragraph 9 below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Independent Auditor's Report (contd.)

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

OTHER MATTER

9. We did not audit the financial statements of ten subsidiaries, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 20,148.70 lakhs as at 31 March 2016, total revenues (after eliminating intra-group transactions) of ₹ 10,395.89 lakhs and net cash flows amounting to ₹ 82.85 lakhs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-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 on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is 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 and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated 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;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2016 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, its subsidiary companies, which are companies incorporated in India, as of 31 March 2016, in conjunction with our audit of the consolidated financial statements of the group for the year ended on that date and our report dated 27 May 2016 as per annexure A 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) As detailed in Note 22, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**

Place : Mumbai
Date : 27 May 2016

Partner
Membership No.: 108840

Annexure A to 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 the Eros International Media Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its subsidiary companies which are companies incorporated in India, as of 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 incorporated in India, 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 the company's 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 IFCoFR of the Holding Company and its subsidiary companies. 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) 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 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 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, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 2016, based on the internal control criteria considering the essential components of Internal Control as stated in Guidance note issued by ICAI.

OTHER MATTERS

We did not audit the IFCoFR insofar as it relates to seven subsidiaries, which are companies incorporated in India, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 12,509.85 lakhs as at 31 March 2016, total revenues (after eliminating intra-group transactions) of ₹ 10,039.21 lakhs and net cash flows amounting to ₹ 95.76 lakhs for the year ended 31 March 2016 has been considered in the consolidated

financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary companies, which are companies incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Place : Mumbai
Date : 27 May 2016

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

Consolidated Balance Sheet

as at 31 March 2016

₹ in lakhs

	Notes	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	9,358	9,250
Reserves and surplus	4	167,424	138,971
		176,782	148,221
Minority interest		1,147	120
Non-current liabilities			
Long-term borrowings	5	10,659	9,533
Deferred tax liabilities (net)	6	29,032	25,698
Other long-term liabilities	7	107	101
Long-term provisions	8	337	221
		40,135	35,553
Current liabilities			
Short-term borrowings	9	22,972	32,968
Trade payables		28,169	23,785
Other current liabilities	10	88,509	84,325
Short-term provisions	11	4,410	1,891
		144,060	142,969
Total		362,124	326,863
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	4,030	4,130
Intangible assets	13	122,143	117,283
Goodwill on Consolidation	13	1,900	-
Capital work-in-progress		410	-
Content advances	13	130,448	99,406
Films under production		2,803	2,405
Non current investments	14	-	-
Long term loans and advances	15	17,797	13,805
Other non-current assets	16	574	382
		280,105	237,411
Current assets			
Inventories	17	340	13,691
Trade receivables	18	42,822	52,574
Cash and bank balances	19	30,416	16,968
Short-term loans and advances	20	5,461	4,590
Other current assets	21	2,980	1,629
		82,019	89,452
Total		362,124	326,863

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

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

For and on behalf of the Board of directors

For Walker Chandiook & Co LLP

(formerly known as Walker, Chandiook & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No: 108840

Place: Mumbai

Date : 27 May 2016

Sunil Lulla

Executive Vice Chairman and

Managing Director

(DIN: 00243191)

Dinesh Modi

Group Chief Financial Officer (India)

Place: Mumbai

Date : 27 May 2016

Naresh Chandra

Non-Executive Chairman and

Independent Director

(DIN: 00015833)

Dimple Mehta

Vice President - Company Secretary
and Compliance Officer

Consolidated Statement of Profit and Loss

for the year ended 31 March 2016

	Notes	Year ended 31 March 2016	Year ended 31 March 2015
₹ in lakhs			
REVENUE			
Revenue from operations (net)	23	158,268	142,117
Other income	24	2,087	1,986
Total revenue		160,355	144,103
EXPENSES			
Purchases/operating expenses	25	101,132	107,285
Changes in inventories	26	13,351	(13,290)
Employee benefits expense	27	5,571	3,590
Finance costs	28	3,386	3,840
Depreciation and amortisation expense	29	746	689
Other expenses	30	5,809	9,674
Total expenses		129,995	111,788
Profit before tax		30,360	32,315
Tax expense			
Current tax		5,080	4,147
Deferred tax		3,408	5,175
Minimum alternate tax credit		(497)	(1,865)
Short/(excess) provision for tax of earlier years		(83)	158
		7,908	7,615
Profit after tax before Minority Interest		22,452	24,700
Minority interest		1,037	(6)
Net Profit after Minority Interest		21,415	24,706
Earnings per equity share:			
- Basic (In ₹)	31	22.98	26.78
- Diluted (In ₹)	31	22.79	26.43

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

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

For and on behalf of the Board of directors

For **Walker Chandiook & Co LLP**

(formerly known as Walker, Chandiook & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No: 108840

Place: Mumbai

Date : 27 May 2016

Sunil Lulla

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Group Chief Financial Officer (India)

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Naresh Chandra

Non-Executive Chairman and

Independent Director

(DIN: 00015833)

Dimple Mehta

Vice President - Company Secretary

and Compliance Officer

Consolidated Cash Flow Statement

for the year ended 31 March 2016

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	30,360	32,315
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation/ amortisation on assets	62,533	50,445
Trade receivables written off	886	2,317
Sundry balances written back	(155)	(916)
Content advances written off	426	2,082
Advances and deposits written off	2	417
Provision for doubtful receivables	40	66
Sundry balances written off	-	1
Finance costs(Net)	3,386	3,977
Expense on Employee stock option compensation	1,062	469
Interest income	(1,190)	(302)
(Gain)/Loss on sale of tangible assets(Net)	7	(6)
Provision for employee benefits	40	82
Provision for diminution in value of investment	-	800
Unrealised foreign exchange gain/ (loss)	546	661
Operating profit before working capital changes	97,943	92,408
Movements in working capital:		
Increase/(Decrease) in trade payables	(74)	12,108
Increase in long term provisions	20	510
Increase/(Decrease) in other current liabilities	(3,048)	55,904
Increase/(Decrease) in short term provisions	(9)	76
(Increase)/Decrease in trade receivables	12,235	(32,482)
(Increase)/Decrease in inventories	14,277	(15,329)
(Increase)/Decrease in short-term loans and advances	673	(4,375)
(Increase)/Decrease in other current assets	(495)	(1,062)
(Increase) in long-term loans and advances	(1,729)	(9,239)
Decrease in other non-current assets	-	168
Cash generated from operations	119,793	98,687
Taxes paid (Net)	(2,747)	(5,353)
Net cash flow generated from operating activities (A)	117,046	93,334
Cash flows from investing activities		
Purchase of tangible assets	(623)	(349)
Investment in content advances	(86,476)	(93,484)
Advance given to an undertaking	-	(1,500)
Deposits with banks	(12,825)	(12,560)
On acquisition of subsidiary	169	-
Proceeds from sale of fixed assets	39	19
Net cash flow used in investing activities (B)	(99,716)	(107,874)

Consolidated Cash Flow Statement

for the year ended 31 March 2016

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
Cash flows from financing activities		
Proceeds from issue of equity share capital	71	816
Repayment of long-term borrowings	(6,188)	(6,179)
Proceeds from long-term borrowings	9,092	7,612
Proceeds from short-term borrowings	30,046	42,800
Repayment of short-term borrowings	(48,108)	(36,886)
Net change in other short-term borrowing	1,868	(1,575)
Finance charges	(5,468)	(3,710)
Interest income	1,223	399
Net cash flow (used in)/ generated from financing activities (C)	(17,464)	3,277
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(134)	(11,263)
Cash and cash equivalents at the beginning of the year	3,447	14,475
Effect of movement in exchange rate on consolidation of foreign subsidiaries	29	235
Cash and cash equivalents at the end of the year	3,342	3,447

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

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

For **Walker Chandiook & Co LLP**

(formerly known as Walker, Chandiook & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No: 108840

Place: Mumbai

Date : 27 May 2016

For and on behalf of the Board of directors

Sunil Lulla

Executive Vice Chairman and

Managing Director

(DIN: 00243191)

Dinesh Modi

Group Chief Financial Officer (India)

Place: Mumbai

Date : 27 May 2016

Naresh Chandra

Non-Executive Chairman and

Independent Director

(DIN: 00015833)

Dimple Mehta

Vice President - Company Secretary
and Compliance Officer

Summary of Significant Accounting Policies

and other explanatory information

1 CORPORATE INFORMATION

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

The Group is engaged in the business of sourcing Indian film content either through acquisition, co-production or production of such films, and subsequently exploiting and distributing such films in India through music release, theatrical distribution, DVD and VCD release, television licensing and new media distribution avenues such as cable or DTH licensing; and trading and exporting overseas rights to its parent Eros Worldwide FZ LLC. The Group also includes Ayngaran group of companies which is involved in the acquisition, production and distribution of Tamil films worldwide.

2 (i) Basis of accounting and preparation of financial statements

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

The accounting policies have been consistently applied unless otherwise stated.

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

(ii) Use of estimates

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

(iii) Principles of consolidation

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

- The financial statements of the Company and its subsidiaries including step down subsidiaries have been consolidated in accordance with Accounting standard 21 – 'Consolidated Financial statements' by adding, on a line by line basis, the book values of the items like assets, liabilities, income and expenses, after eliminating intra-group transactions and balances. Unrealised profits or losses, if any, from such intra-group transactions are eliminated in totality.
- The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The impact of change in accounting policies, if not material, has been ignored.
- The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date on which investment in the subsidiary is made, is recognised as 'Goodwill'. When the cost to

Summary of Significant Accounting Policies

and other explanatory information

the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital reserve' in the consolidated financial statements.

- Minority interest in the net assets of consolidated financial statements consists of the amount of equity attributable to the minority shareholders at the date on which investment has been made by the Company in the subsidiary company and movements in their share of equity and reserves, subsequent to such date. Where accumulated losses

attributable to the minority are in excess of equity, in the absence of the contractual obligation on the minorities, the same are accounted for by the parent.

- On disposal of a subsidiary, the attributable amount of Goodwill is included in the determination of the profit or loss on disposal.
- All entities in the Group follow a March 31 reporting year-end.
- Following is the list of entities consolidated under the Group:

Sr. No.	Name of the Company	Country of Incorporation	Subsidiary with effect from date	% Holding as at 31 March 2016
1	Eros International Films Private Limited	India	March 31, 1997	99.65
2	Copsale Limited	British Virgin Island	February 11, 1999	100.00
3	Big Screen Entertainment Private Limited	India	January 17, 2007	64.00
4	Ayngaran International Limited (Isle of Man)	Isle of Man	October 1, 2007	51.00
5	Ayngaran International UK Limited	United Kingdom	October 1, 2007	100.00
6	Ayngaran International Media Private Limited	India	October 1, 2007	100.00
7	EyeQube Studios Private Limited	India	October 31, 2007	99.99
8	Ayngaran Mauritius Limited	Mauritius	March 7, 2008	100.00
9	Ayngaran Anak Media Private Limited	India	October 6, 2008	51.00
10	Eros Animation Private Limited	India	January 2, 2009	100.00
11	EM Publishing Private Limited	India	March 25, 2009	99.00
12	Digicine PTE Limited	Singapore	March 30, 2012	100.00
13	Colour Yellow Productions Private Limited	India	May 23, 2014	50.00
14	Universal Power Systems Private Limited	India	August 1, 2015	100.00

(iv) Significant accounting policies

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

(a) Revenue recognition

- Theatrical sales: Revenue from theatrical distribution is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. Contracted minimum guarantees are recognised on theatrical release.
- Sale of film rights: Sale of rights is recognised on effective delivery of materials to customers as per terms of the sale agreements. Sale of overseas rights are recognised on assignment of such rights, as per pre-agreed transfer pricing norms.

Summary of Significant Accounting Policies

and other explanatory information

- Sale of satellite rights and physical home entertainment products: Revenue is recognised on delivery of content to customers, as per-contracted terms. Digital and other new media revenues are recognised at the earlier of when the content is accessed or if licensed, the date the revenue is contracted or declared.
 - Sale of content to telecommunication companies: Revenue is recognised on delivery of content to customers and on the basis of monthly log reports received from the customers as per-contracted terms.
 - Production fee: Revenue from production fee is recognised on the basis of services rendered at relevant stages of production of the film, in accordance with terms of agreement.
 - (b) **Other income**
 - Dividend income is recognised when the right to receive dividend is established.
 - Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
 - On disposal of current investments, the difference between the carrying amount and the disposal proceeds is recognised in the Statement of Profit and Loss.
 - (c) **Tangible assets and depreciation**
 - Tangible assets are stated at acquisition cost less accumulated depreciation and impairment losses, if any. Acquisition cost includes purchase cost (net of available credits) and all incidental expenses to bring the asset to their present location and condition. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increase the future benefits from the existing asset beyond its previously assessed standard of performance.
 - Based on internal assessment, the management believes that the useful lives for tangible assets prescribed under Schedule II of the Companies Act 2013 ('the Act'), best represent the period over which the Management expects to use these assets. Accordingly, depreciation is provided under written down value method in the manner prescribed under Schedule II to the Act.
- (d) **Intangible assets and amortisation**
 - Investment in film and associated rights are recorded at their acquisition costs less accumulated amortisation and impairment losses, if any. Cost includes acquisition and production cost, direct overhead cost, capitalized foreign currency exchange differences and borrowing costs. When ready for exploitation, advances granted to secure rights are transferred to film rights. These rights are amortised over the estimated useful lives, writing off more in year one which recognises initial income flows and then the balance over a period of up to nine years, or the remaining life of the content rights, whichever is less. amortisation of film rights is presented under 'purchases/ operating expenses'.

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

The management regularly reviews, and revises when necessary, its estimates, which may result in a change in the rate of amortisation and/or a write down of the asset to the recoverable amount.

 - Other intangible assets are carried at acquisition costs less accumulated amortisation, which is charged under

Summary of Significant Accounting Policies

and other explanatory information

written down value method in the manner and over the useful lives prescribed under Schedule II of the Act.

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

(e) Borrowing costs

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

(f) Content advances

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

(g) Investments

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

(h) Inventories

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

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

(i) Impairment of assets

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

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

Summary of Significant Accounting Policies

and other explanatory information

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment annually or more frequently when there is indication for impairment. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

(j) Provisions and contingencies

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

(k) Employee benefits

- ⦿ Retirement benefit plans, pension schemes or defined contribution plans

or funds are governed by the statutes of the countries in which subsidiaries are located. Contributions to the fund, future liability on actuarial valuation or liability on termination are charged to the Statement of Profit and Loss.

- ⦿ Provisions for compensated absences are recognised in accordance with the rules of the respective companies.

⦿ Stock based compensation

Stock options granted by the parent company are accounted using intrinsic value method as prescribed by the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed option and credit to deferred employee compensation expense equal to the unamortised portion of lapsed option.

(l) Leases

The Group has evaluated all existing leases as 'Operating leases'. Aggregate of lease rentals payable under non-cancellable operating lease arrangements (over the initial and subsequent periods of lease) are charged to the Statement of Profit and Loss on a straight-line basis over the non-cancellable period of the lease.

(m) Foreign currency transactions

Transactions in foreign currencies are accounted at exchange rates prevalent on the date of the transaction. Foreign currency monetary assets and liabilities at the period end are translated using the exchange

Summary of Significant Accounting Policies

and other explanatory information

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

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

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

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

(n) Taxes on income

Income tax expense comprises current income tax and deferred tax.

○ Current taxes

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

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an

intention to settle the asset and the liability on a net basis.

○ Deferred taxes

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

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

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

○ Minimum Alternative Tax ('MAT')

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. MAT credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the respective individual entity will pay normal income tax during the specified period, which is the period for which MAT credit is allowed to be carried forward. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit

Summary of Significant Accounting Policies

and other explanatory information

asset is written down to the extent there is no longer a convincing evidence to the effect that the respective individual entity will pay normal income tax during the specified period.

(o) Earnings per share

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

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

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

(p) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments which are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. Cash credits are shown within borrowings in current liabilities on the Balance sheet.

₹ in lakhs				
	As at 31 March 2016		As at 31 March 2015	
	Number	Amounts	Number	Amounts
3 SHARE CAPITAL				
Authorised share capital				
Equity shares of ₹ 10 each	125,000,000	12,500	125,000,000	12,500
	125,000,000	12,500	125,000,000	12,500
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	93,589,164	9,358	92,507,274	9,250
Total	93,589,164	9,358	92,507,274	9,250
a) Reconciliation of paid up share capital (Equity Shares)				
Balance at the beginning of the year	92,507,274	9,250	91,973,190	9,197
Add: Shares issued during the year (refer note below)	1,081,890	108	534,084	53
Balance at the end of the year	93,589,164	9,358	92,507,274	9,250

During the year, the Company has issued total 180,920 shares (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 ₹ 378.47 per share in exchange for the entire shareholding of UPSPL.

Summary of Significant Accounting Policies

and other explanatory information

b) Shares held by holding company, ultimate holding company, subsidiaries / associates of holding company or ultimate holding company

	₹ in lakhs			
	As at 31 March 2016		As at 31 March 2015	
	Number	Amounts	Number	Amounts
Equity shares of ₹ 10 each				
Eros Worldwide FZ LLC - the Holding Company	47,126,290	4,713	47,126,290	4,713
Eros Digital Private Limited - fellow subsidiary	21,700,000	2,170	21,700,000	2,170

c) Details of Shareholders holding more than 5% of the shares

	₹ in lakhs			
	As at 31 March 2016		As at 31 March 2015	
	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	50.35	47,126,290	50.94
Eros Digital Private Limited - fellow subsidiary	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 1,281,194 shares (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.

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
4 RESERVES AND SURPLUS		
Securities premium		
Balance at the beginning of the year	31,861	30,995
Add: Additions for ESOP exercised during the year	53	763
Add: Additions for issue of shares for Techzone acquisition (refer note 3a)	3,410	-
Add: Transfer from share option outstanding account	409	103
Balance at the end of the year	35,733	31,861
Share options outstanding account		
Balance at the beginning of the year	950	584
Less: Transfer to securities premium account	(409)	(103)
Add: Employee stock option compensation expense	1,062	469
Balance at the end of the year	1,603	950
Capital reserve		
Additions during the year	-	-
Balance at the end of the year	56	56
General reserve		
Balance at the beginning of the year	508	586
Less: Impact of Depreciation on transition to Schedule II	-	(78)

Summary of Significant Accounting Policies

and other explanatory information

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
Balance at the end of the year	508	508
Surplus in the Statement of profit and loss		
Balance at the beginning of the year	101,089	76,383
Add: Net profit after tax for the year	21,415	24,706
Add: Recoupment from Minority shareholders	9	-
Balance at the end of the year	122,513	101,089
Foreign currency translation reserve		
Balance at the beginning of the year	4,507	3,061
Add: Addition during the year	2,504	1,446
Balance at the end of the year	7,011	4,507
Total	167,424	138,971

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
5 LONG-TERM BORROWINGS		
Secured		
Term loans from banks*	18,992	16,091
Car loans #	170	87
	19,162	16,178
Less : Current maturities disclosed under other current liabilities (refer note 10)	(8,503)	(6,645)
Total	10,659	9,533

*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 property situated at Mumbai, India;
- Amounts held as margin money;
- Corporate guarantee of Eros International PLC, the ultimate holding company;
- Residual value of equipments and vehicles; and
- Existing rights of hindi films with nil books 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%

Loans are repayable in monthly/ quarterly instalments over a period of 3 years.

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

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
6 DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability on		
Depreciation of tangible assets	409	396
Amortisation of intangible assets	29,432	26,026
Total	29,841	26,422
Deferred tax asset on		
Provision for expenses allowed on payment basis	675	652
Others	134	72
Total	809	724
Deferred tax liabilities (net)	29,032	25,698

Summary of Significant Accounting Policies

and other explanatory information

	As at 31 March 2016	As at 31 March 2015
₹ in lakhs		
7 OTHER LONG-TERM LIABILITIES		
Trade payables	104	98
Security deposits received	3	3
Total	107	101

	As at 31 March 2016	As at 31 March 2015
₹ in lakhs		
8 LONG-TERM PROVISIONS		
Provision for gratuity	337	221
Total	337	221

	As at 31 March 2016	As at 31 March 2015
₹ in lakhs		
9 SHORT-TERM BORROWINGS		
Repayable on demand		
Secured		
From banks	21,030	16,548
Unsecured		
From others	1,520	16,000
Loans and advances from related parties	422	395
Loans and advances from others	-	25
Total	22,972	32,968

Secured short term borrowings include:

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

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

Packing credit, secured by hypothecation of films and film rights with pari passu charge on current assets.

Drawee bills discounted secured by assignment of film processing laboratory letter conveying rights on the negative of the particular film being co-produced.

Short term borrowings are further secured by:

- Equitable mortgage of Company's immovable property situated at Mumbai, India;
- Amount held in margin money;
- Corporate guarantee of Eros International PLC, the ultimate holding company;
- Residual value of equipments; and
- Existing rights of hindi films and rights for a film under production

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

	As at 31 March 2016	As at 31 March 2015
₹ in lakhs		
10 OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings (refer note 5)	8,503	6,645
Interest accrued but not due on borrowings	122	203
Unclaimed dividend	1	1
Advance from customers		
- Related parties	60,490	72,421
- others	11,000	1,385
Book overdraft	-	8
Duties and taxes payable	5,315	2,062
Other payables	3,078	1,600
Total	88,509	84,325

Summary of Significant Accounting Policies

and other explanatory information

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
11 SHORT-TERM PROVISIONS		
Provision for employee benefits	343	264
Provision for tax (net of advance tax and TDS)	4,067	1,627
Total	4,410	1,891

	₹ in lakhs						
	Buildings	Furniture and fixtures	Motor Vehicles	Office equipment	Data processing equipment	Studio equipment	Total
12 TANGIBLE ASSETS							
Gross block							
Balance as at 1 April 2014	4,108	634	503	209	478	1,618	7,550
Additions	-	4	139	20	171	15	349
Adjustments/ disposals	-	-	(146)	(2)	-	(2)	(150)
Foreign currency translation difference	-	(1)	-	(6)	(8)	-	(15)
Balance as at 31 March 2015	4,108	637	496	221	641	1,631	7,734
Additions	-	13	126	24	134	-	297
Acquired on Acquisition of subsidiary	-	103	149	105	1,012	-	1,369
Adjustments/ disposals	-	-	(78)	-	-	-	(78)
Foreign currency translation difference	-	-	-	2	-	-	2
Balance as at 31 March 2016	4,108	753	693	352	1,787	1,631	9,324
Accumulated depreciation							
Balance as at 1 April 2014	621	357	385	150	364	1,173	3,050
Depreciation charge	170	119	71	30	105	132	627
Adjustments/ disposals	-	6	(133)	19	10	33	(65)
Foreign currency translation difference	-	(1)	-	(6)	(1)	-	(8)
Balance as at 31 March 2015	791	481	323	193	478	1,338	3,604
Depreciation charge	161	81	97	36	256	92	723
Acquired on Acquisition of subsidiary	-	61	42	71	823	-	997
Adjustments/ disposals	-	-	(32)	-	-	-	(32)
Foreign currency translation difference	-	-	-	2	-	-	2
Balance as at 31 March 2016	952	623	430	302	1,557	1,430	5,294
Net block							
Balance as at 31 March 2015	3,317	156	173	28	163	293	4,130
Balance as at 31 March 2016	3,156	130	263	50	230	201	4,030

Summary of Significant Accounting Policies

and other explanatory information

	Film Rights	Others	Total	Content advances
₹ in lakhs				
13 a) INTANGIBLE ASSETS				
Gross block				
Balance as at 1 April 2014	336,046	258	336,304	57,889
Additions	66,902	-	66,902	154,044
Adjustments	-	-	-	(110,445)
Amounts written off	-	-	-	(2,082)
Foreign currency translation difference	703	-	703	-
Balance as at 31 March 2015	403,651	258	403,909	99,406
Additions	65,310	27	65,337	118,869
Adjustments	-	-	-	(87,401)
Amounts written off	-	-	-	(426)
Foreign currency translation difference	5,740	-	5,740	-
Balance as at 31 March 2016	474,701	285	474,986	130,448
Accumulated amortisation				
Balance as at 1 April 2014	236,560	161	236,721	
Amortisation charge	49,756	62	49,818	
Foreign currency translation difference	86	1	87	
Balance as at 31 March 2015	286,402	224	286,626	
Amortisation charge	61,787	23	61,810	
Adjustments	-	-	-	
Foreign currency translation difference	4,407	-	4,407	
Balance as at 31 March 2016	352,596	247	352,843	
Net block				
Balance as at 31 March 2015	117,249	34	117,283	99,406
Balance as at 31 March 2016	122,105	38	122,143	130,448

13 b) GOODWILL ON CONSOLIDATION

On August 1, 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. The following table summarizes the details of acquisition-

	₹ in lakhs
	Amounts
a. Assets acquired	5,395
b. Liabilities acquired	3,795
c. Net Assets Acquired (a-b)	1,600
d. Purchase Consideration paid	3,500
e. Goodwill on Consolidation (d-c)	1,900

Summary of Significant Accounting Policies

and other explanatory information

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
14 NON-CURRENT INVESTMENTS		
Non-trade (valued at cost)		
Equity shares in fellow subsidiary company (unquoted)		
Eros Digital Private Limited *		
20 (Previous Year 20) equity shares of ₹ 10 each, fully paid-up	0	0
Equity shares in other body corporate (unquoted)		
Triple Com Media Private Limited		
200,000 (Previous Year 200,000) equity shares of ₹ 10 each, fully paid-up	-	800
Less: Provision for diminution in the value of investment	-	(800)
* Amount represent less than ₹ one lac.		
Total	-	-

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
15 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Security deposits		
- Related parties	676	704
- Others	159	137
MAT credit recoverable	9,378	8,881
Advance payment of taxes	1,797	602
Balances with statutory authorities	3,998	2,032
Dues from related parties (refer note 33)	57	57
Other loans and advances		
Considered good	1,732	1,392
Total	17,797	13,805

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
16 OTHER NON CURRENT ASSETS		
Bank deposits with maturity more than twelve months (refer note 19)	574	382
Total	574	382

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
17 INVENTORIES		
Film Rights	251	13,488
VCD/ DVD/ Audio CDs	89	203
Total	340	13,691

Summary of Significant Accounting Policies

and other explanatory information

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
18 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date due for payment		
Unsecured, considered good	4,672	7,382
Unsecured, considered doubtful	106	66
	4,778	7,448
Less: Provision for doubtful receivables	106	66
	4,672	7,382
Other debts		
Unsecured, considered good		
Dues from related parties (refer note 33)	7,578	9,524
Dues from others	30,572	35,668
Total	42,822	52,574

The Company factored trade receivables amounting ₹14,206 lakhs as of 31 March, 2016. The cash proceeds from these arrangements are reflected as operating activities.

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
19 CASH AND BANK BALANCES		
Cash and cash equivalents		
a. Cash on hand	105	32
b. Cheques on hand	72	667
c. Balances with banks		
i) On current accounts	3,164	2,392
ii) On deposit accounts (with original maturity of less than three months)	1	356
	3,342	3,447
Other bank balances		
i) Unpaid dividend account	1	1
ii) Bank deposits with:		
maturity less than twelve months	25,868	12,428
iii) Margin money accounts with *		
maturity less than twelve months	1,205	1,092
maturity more than twelve months	574	382
	27,648	13,903
Less: disclosed under other non current assets (refer note 16)	(574)	(382)
Total	30,416	16,968

* Margin money accounts represent deposits lien marked against borrowings

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
20 SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Security deposits	99	-
Amounts due from related parties (refer note 33)	91	96
Loans and advances to employees	179	284
Other loans and advances		
Considered good	5,092	4,210
Total	5,461	4,590

Summary of Significant Accounting Policies

and other explanatory information

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
21 OTHER CURRENT ASSETS		
Prepaid expenses	450	786
Unbilled revenue	2,282	699
Accrued interest	228	144
Others	20	-
Total	2,980	1,629

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

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
(a) Contingent liabilities		
(i) Claims against the Company not acknowledged as debt		
Sales tax claims disputed by the Company	1,176	1,813
Service tax (refer note 1)	39,631	19,470
Income tax liability that may arise in respect of matters in appeal	134	318
(ii) Guarantees		
Guarantee given in favor of various government authorities	25	86
	40,966	21,687

Notes:

- 1.a During the previous year ended 31 March 2015, the Company received a show cause notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 19,470 lakhs for the period 1 April 2009 to 31 March 2014 should not be levied on and paid by the Company for service tax arising on temporary transfer of copyright services and other matters.
In connection with the aforementioned matters, on 19 May 2015, the Company received an Order-in-original issued by the Principal Commissioner, Service Tax, wherein the department confirmed the demand of ₹ 19,470 lakhs along with interest and penalty amounting to ₹ 19,470 lakhs resulting into a total demand of ₹ 38,940 lakhs.
On 3 September 2015, the Company filed an appeal against the said order before the authorities. Considering the facts and nature of levies and the ad-interim protection for the period 1 July 2010 to 30 June 2012 granted by the Honorable High Court of Mumbai, the Company expects that the final outcome of this matter will be favorable. Accordingly, based on the assessment made after taking appropriate legal advice, no additional liability has been recorded in the financial statements
- 1.b On 18 April, 2016, a subsidiary of the Company- Eros International Films Private Limited, received a show cause notice from the Commissioner of Service Tax to show cause why an amount aggregating to ₹ 597 lakhs for the period 1 April 2014 to 31 March 2015 should not be levied on and paid by the Company for service tax arising on temporary transfer of copyright services and other matters. Considering the facts and nature of levies and the ad-interim protection for the period 1 July 2010 to 30 June 2012 granted by the Honorable High Court of Mumbai, the Company expects that the final outcome of this matter will be favorable. Accordingly, based on the assessment made after taking appropriate legal advice, no additional liability has been recorded in the financial statements
- 1.c On 28 February, 2013, a subsidiary of the Company- Universal Power Systems Private Limited (acquired on 1 August, 2015), received a service tax order with reference to the internal audit conducted by the service tax department. Based on the audit conducted, department has demanded tax amounting to ₹ 113 lakhs against which the subsidiary has paid ₹ 20 lakhs. The subsidiary has not made any provision in the books to give effect to this order and filed an appeal against the demand. The subsidiary expects that the final outcome will be favorable. Accordingly, based on the assessment made after appropriate legal advice, ₹ 94 lakhs has been considered as contingent liability and no liability has been recorded in the financial statements.
- 2 In addition, the Company is liable to pay service tax on use on temporary transfer of copyright in the period 1 July 2010 to 30 June 2012. The Company filed a writ petition in Mumbai High Court challenging the constitutionality and the legality of this entry and received ad-interim protection and accordingly, no amounts were provided for by the Company for the period 1 April 2011 to 30 June 2012.
- 3 It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.
- 4 From time to time, the Group is involved in legal proceedings arising in the ordinary course of its business, typically intellectual property litigation and infringement claims related to the Company's feature films and other commercial activities, which could cause the Company to incur expenses or prevent the Company from releasing a film. While the resolution of these matters cannot be predicted with certainty, the Company does not believe, based on current knowledge or information available, that any existing legal proceedings or claims are likely to have a material and adverse effect on its financial position, results of operations or cash flows.
- 5 The Company does not expect any reimbursements in respect of the above contingent liabilities.

Summary of Significant Accounting Policies

and other explanatory information

	₹ in lakhs	
	As at 31 March 2016	As at 31 March 2015
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account	134,261	127,285
	134,261	127,285
Total	175,227	148,972

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
23 REVENUE FROM OPERATIONS (NET)		
Revenue from distribution and exhibition of film and other rights	158,173	141,666
Revenue from services	95	451
Total	158,268	142,117

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
24 OTHER INCOME		
Interest income	1,190	302
Other non-operating income	897	1,355
Gain on foreign currency transactions and translation (net)	-	323
Gain on sale of fixed assets (net)	-	6
Total	2,087	1,986

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
25 PURCHASES / OPERATING EXPENSES		
Amortisation of film rights (refer note 13)	61,787	49,756
Film rights cost	27,861	43,543
Print and digital distribution cost	2,557	2,837
Selling and distribution expenses	7,918	10,252
Processing and other direct cost	699	536
Shipping, packing and forwarding expenses	212	220
Home entertainment products related cost	98	141
Total	101,132	107,285

Summary of Significant Accounting Policies

and other explanatory information

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
26 CHANGES IN INVENTORIES		
Opening stock		
- Finished goods	13,691	226
- Films under production	-	175
	13,691	401
Less: Closing stock		
- Finished goods	(340)	(13,691)
- Films under production	-	-
	(340)	(13,691)
Total	13,351	(13,290)

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
27 EMPLOYEE BENEFITS EXPENSE		
Salaries and bonus	4,125	2,872
Contributions to provident fund and other funds	247	126
Gratuity expense	70	82
Employees stock option compensation	1,062	469
Staff welfare expenses	67	41
Total	5,571	3,590

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
28 FINANCE COSTS		
Interest expense	4,928	5,456
Other borrowing costs	266	275
Interest on late payment of taxes	291	228
	5,485	5,959
Less: Interest capitalised to film rights	(1,949)	(1,982)
Less: Interest income	(150)	(137)
Total	3,386	3,840

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
29 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on tangible assets (refer note 12)	723	627
Amortisation on intangible assets (other than film rights) (refer note 13)	23	62
Total	746	689

Summary of Significant Accounting Policies

and other explanatory information

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
30 OTHER EXPENSES		
Power and fuel	103	82
Rent	849	401
Repairs and maintenance	163	211
Insurance	59	24
Rates and taxes	75	39
Legal and professional	1,322	1,532
Payments to auditors (refer note 34)	159	70
Provision for doubtful receivables (refer note 18)	40	66
Communication expenses	140	85
Travelling and conveyance	459	438
Content advances written off (refer note 13)	426	2,082
Advances and deposits written off	2	417
Loss on disposal of fixed assets	7	-
Provision for diminution in the value of investments	-	800
Trade receivables written off	886	2,317
Net loss on foreign currency transactions and translation	473	662
CSR expenditure	20	55
Miscellaneous expenses	626	393
Total	5,809	9,674

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
31 EARNINGS PER SHARE		
a) Computation of net profit for the year		
Profit after tax attributable to equity shareholders (₹ in lakhs)	21,415	24,706
b) Computation of number of shares for Basic Earnings per share		
Weighted average number of equity shares	93,187,916	92,277,558
Total	93,187,916	92,277,558
c) Computation of number of shares for Diluted Earnings per share		
Weighted average number of equity shares	93,968,886	93,498,797
Total	93,968,886	93,498,797
d) Nominal value of shares	10	10
e) Computation		
Basic (in ₹)	22.98	26.78
Diluted (in ₹)	22.79	26.43

Summary of Significant Accounting Policies

and other explanatory information

32 SEGMENT REPORTING

a. Primary segment information

The Group is solely engaged in the business of film production and exploitation. The entire operations are governed by same set of risks and returns and hence, have been considered as representing a single primary segment.

b. Secondary segment information

The principle geographic areas in which the Group operates based on the location of customers are 'Within India' and 'Outside India'.

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
Revenue by geographical market		
Outside India	56,829	76,798
Within India	103,526	67,305
	160,355	144,103
Carrying value of segment assets		
Outside India	109,403	115,435
Within India	241,546	201,945
	350,950	317,380

Note: Segment assets exclude income tax assets

33 RELATED PARTY DISCLOSURES

a) Names of related parties

Relationship	Name
Ultimate holding company	Eros International PLC, Isle of Man
Holding company	Eros Worldwide FZ-LLC, Dubai
Fellow subsidiary companies	Eros Digital Private Limited
	Eros International Limited, United Kingdom
	Eros Music Publishing Limited, United Kingdom
	Eros Digital FZ LLC
Key management personnel (KMP)	Mr. Sunil Lulla – Executive Vice Chairman and Managing Director
	Mr. Kishore Lulla – Executive Director
	Ms. Jyoti Deshpande – Executive Director
	Mr. Vijay Ahuja – Non Executive Director (w.e.f. 13 February 2015)
	Mr. Kamal Jain -Group Chief Financial Officer (India) (upto 30 November 2014)
	Mr. Dinesh Modi - Group Chief Financial Officer (India) (w.e.f. 11 November 2014)
	Ms. Dimple Mehta - 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
	M/s Eros International Distribution LLP

Summary of Significant Accounting Policies

and other explanatory information

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
b) Transactions with related parties		
Sale of film rights		
Eros Worldwide FZ LLC	27,077	44,382
Eros International Limited	-	8
Eros Digital FZ LLC	14,873	-
Total	41,950	44,390
Sale of prints/VCD/DVD		
Eros Worldwide FZ LLC	54	69
Total	54	69
Purchase of film rights		
Eros Worldwide FZ LLC	-	4,715
Eros International Limited	127	5,205
Total	127	9,920
Re-imbusement of administrative expense		
Eros Worldwide FZ LLC	2,823	1,669
Eros International Limited	57	-
Eros Digital FZ LLC	394	-
Total	3,274	1,669
Rent paid		
Mr. Sunil Lulla	276	96
Mr. Kishore Lulla	240	60
Ms. Manjula K Lulla	36	36
Total	552	192
Interest paid		
Eros Digital Private Limited	43	40
Total	43	40
Salary, commission and perquisites* to KMPs and relatives of KMPs	830	854

*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 ₹ 57 lakhs (2015: ₹ 112 lakhs) charged to Statement of Profit and loss on account of stock compensation for awards granted.

Summary of Significant Accounting Policies

and other explanatory information

b) Transactions with related parties (Continued)

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
Content advances		
Eros International Limited	2,689	-
Total	2,689	-
Trade Advances received		
Eros International Plc.	-	18,493
Eros Worldwide FZ LLC	41,147	108,249
Eros International Limited	1,479	21,136
Eros Digital Private Limited	10	-
Total	42,636	147,878
Repayment of advances		
Eros International Plc.	-	18,493
Eros Worldwide FZ LLC	48,588	39,139
Eros International Limited	3,704	24,164
Eros Digital Private Limited	12	-
Total	52,304	81,796
Deposits Given		
Mr. Sunil Lulla	-	240
Mr. Kishore Lulla	-	240
Total	-	480
Refund of deposits		
Mr. Sunil Lulla	28	29
Total	28	29
c) Balances with related parties		
Trade balances due from		
Eros Worldwide FZ LLC	7,578	9,524
Total	7,578	9,524
Trade balances due to		
Eros Worldwide FZ LLC	14,366	13,792
Eros International Limited	318	2,371
Total	14,684	16,163
Advances/Loan due to		
Eros Worldwide FZ LLC	60,490	72,419
Eros International Limited	-	2
Eros Digital Private Limited	422	395
Total	60,912	72,816
Content advances given to		
Eros International Limited	2,689	-
Total	2,689	-
Loans or advances due from		
Eros International Limited	90	93
Shivam Enterprises	57	57
Total	147	150

Summary of Significant Accounting Policies

and other explanatory information

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
Security deposit/Amounts due from KMPs or their relatives		
Mr. Sunil Lulla	361	389
Mr. Kishore Lulla	240	240
Ms. Manjula Lulla	75	75
Ms. Krishika Lulla	1	3
Total	677	707
Amounts due to KMPs or their relatives		
Mr. Sunil Lulla	88	30
Mr. Kishore Lulla	29	22
Ms. Jyoti Deshpande	6	5
Ms. Manjula Lulla	66	45
Total	189	102

	₹ in lakhs	
	Year ended 31 March 2016	Year ended 31 March 2015
34 AUDITORS' REMUNERATION (ON ACCRUAL BASIS)		
As auditor		
Statutory audit (including IFCOFR)	108	45
Limited review	13	13
Tax audit	14	5
	135	63
In other capacity		
Other services (certification fees)	15	4
	15	4
Reimbursement of expenses	9	3
Total	159	70

For **Walker Chandio & Co LLP**

(formerly known as Walker, Chandio & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No: 108840

Place: Mumbai

Date : 27 May 2016

For and on behalf of the Board of directors

Sunil Lulla

Executive Vice Chairman and

Managing Director

(DIN: 00243191)

Dinesh Modi

Group Chief Financial Officer (India)

Place: Mumbai

Date : 27 May 2016

Naresh Chandra

Non-Executive Chairman and

Independent Director

(DIN: 00015833)

Dimple Mehta

Vice President - Company Secretary
and Compliance Officer

Notice

Registered Office: 201, Kailash Plaza, Plot no. A-12, Opp. Laxmi Industrial Estate, Link Road, Andheri West, Mumbai 400 053

Corporate Office: 901/ 902, Supreme Chambers, Off Veera Desai Road, Andheri West, Mumbai 400 053

Phone: +91 22 66021500, Fax: +91 22 66021540 Email: compliance.officer@erosintl.com Website: www.erosintl.com

CIN: L99999MH1994PLC080502

NOTICE is hereby given that the 22nd Annual General Meeting (AGM) of the Members of Eros International Media Limited will be held on Thursday, the 29th day of September 2016 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 2016, 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 2016, together with the Report of the Auditors thereon.

2. To ratify the appointment of Statutory Auditors of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s. Walker Chandiook &

Co LLP, Chartered Accountants, (Firm Registration No.001076N/N500013), as the Statutory Auditors of the Company, who were appointed by the members at their Annual General meeting held on 25 September, 2014 to hold the office upto the 3rd consecutive meeting from the year 2014, be and is hereby ratified to hold the office of auditors from the conclusion of this meeting to the next annual general meeting of the Company on a remuneration as may be decided by the Board".

SPECIAL BUSINESS:

3. To consider, review and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED TO NOTE THAT Mr. Vijay Ahuja (DIN: 02966514), a Director of the Company, who retires from office by rotation at this Annual General Meeting in accordance with the provisions of Section 152 of the Companies Act, 2013, has expressed his unwillingness to be re-appointed as such, and accordingly it is resolved that the resultant vacancy on the Board be not filled up at this meeting".

By Order of the Board of Directors
For **Eros International Media Limited**

Place : Mumbai

Date : 27 May 2016

Dimple Mehta

Vice President - Company Secretary &
Compliance Officer

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person shall not act as Proxy for more than Fifty (50) members and holding in 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. 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, 22 September, 2016 till Thursday, 29 September, 2016 (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 / Registrar 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 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 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, 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 hours before the time fixed for the commencement of the AGM. However, a prior notice of not less than three (3) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.
13. The Company has designated an exclusive email id compliance.officer@erosintl.com for redressal of shareholders complaints/grievances. For any investor related queries, you are requested to please write to us at the above email id.

Notice (contd.)

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 Company Secretary/ M/s Link Intime Private Limited, RTA of the Company for revalidation of the dividend warrants/issue of fresh demand drafts. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 3 September, 2015 (date of the last Annual General Meeting) on the website of the Company 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 Report and Accounts to the Annual General Meeting.
16. Members who wish to obtain any information on the Company or view the accounts for the Financial Year ended 31 March 2016 may visit the Company's website 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 new Companies Act, 2013 and rules thereto, the Company has obtained email addresses of its Members and have given an advance opportunity to every Member to register their email address and changes therein from time to time with the Company for service of communications /documents (including Notice of General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report and all other documents) through electronic mode.
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 request its Members, who have so far not registered, to register their e-mail address(es) and changes therein from time to time, through any of the following manner:

- i. Email Intimation: By sending an email mentioning the Name(s) and Folio Number/Client ID and DP ID to the Registrar and Transfer Agent at rnt.helpdesk@linkintime.co.in or compliance.officer@erosintl.com

- ii. Written communication: By sending written communication addressed to the Company Secretary and Compliance Officer at the Corporate Office of the Company or to the Registrar and Transfer Agent of the Company at M/s Link Intime India Private Limited, Unit – Eros International Media Limited, C-13 Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078.

19. As none of the Directors are being appointed/ re-appointed at the Annual General Meeting, no details are attached to this Notice as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
20. Electronic copy of the Notice convening the 22nd AGM of the Company, the Annual Report alongwith the process of e-voting and the Attendance Slip, Proxy Form and Ballot Paper are being sent to all the members whose email Ids are registered with the Company /Depository Participants for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copies of the Notice convening the 22nd AGM of the Company, the Annual Report alongwith the process of e-voting and the Attendance Slip, Proxy Form and Ballot Paper are being sent in the permitted mode.
21. Members may also note that the Notice convening the 22nd Annual General Meeting and the Annual Report 2016 will also be available on the Company's website at www.erosintl.com for download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send request to compliance.officer@erosintl.com.
22. The route map showing directions to reach the venue of the 22nd AGM is annexed.

23. 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 exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

- 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 Monday, 26 September, 2016 (9.00 am) and ends on Wednesday, 28 September, 2016 (5.00 pm). 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, 22 September, 2016, 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 is as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - i. Open email 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.
 - 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 saurabhagarwal@mmjc.in with a copy marked to 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]:

Notice (contd.)

- (i) Initial password is provided at the Ballot form: 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 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.
- 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, 22 September, 2016.
- 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, 22 September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- 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" option available on 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 only shall be entitled to avail the facility of remote e-voting or 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 authorised 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 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.

Notes and instructions for voting through Ballot Paper

- i. Members desiring to cast their vote in Ballot Paper are requested to execute the Ballot Paper as per the instructions stated therein and send the same in the enclosed self-addressed postage prepaid envelope.
- ii. The vote can be cast by recording the assent in the Column FOR and dissent in the Column AGAINST by placing a tick mark (✓) in the appropriate column.

- iii. The Member need not use all the votes nor needs to cast all the votes in the same way.
- iv. Members can download the Ballot Paper from the link www.erosintl.com or seek a duplicate Ballot Paper from Link Intime India Private Limited, the Registrar and Transfer Agent from their office at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078, fill in the details and send the same to the Scrutinizer.
- v. Kindly note that the Members can opt only one mode of voting i.e either by Ballot Paper or e-voting. If you are opting for e-voting, then do not vote by Ballot Paper and vice versa. However, in case a Member has voted both in Ballot Paper as well as e-voting, then voting done through e-voting shall prevail and voting done through Ballot Paper will be treated as invalid.
- vi. You are requested to carefully read the instructions printed on the Ballot Paper and return the paper (no other Form or photocopy is permitted) duly completed, in the enclosed self-addressed postage prepaid envelope, so as to reach the Scrutinizer at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078 on or before the close of working hours (5.00 p.m.) on Wednesday, 28 September, 2016. 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, 28 September, 2016 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**

Place : Mumbai

Date : 27 May, 2016

Dimple Mehta
Vice President - Company Secretary &
Compliance Officer

CIN: L99999MH1994PLC080502

Notice (contd.)

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 No. 3 of the accompanying Notice:

Item No. 3:

Mr. Vijay Ahuja (DIN-02966514) is a Non-Executive Non Independent Director of the Company. Mr. Ahuja was appointed on 10 February, 2010 as Executive Director on the Board of the Company after which he was re-appointed as such by the shareholders of the Company on 28 August, 2013. Being longest in office, Mr. Vijay Ahuja's office as director is liable to retire by rotation at the forthcoming Annual General Meeting(AGM).

Although eligible for re-appointment, Mr. Vijay Ahuja has expressed his unwillingness to be re-appointed as a director of the Company vide his letter dated 26 May, 2016. In view of the above vacancy, Your Board of Directors recommend not to fill up the vacancy caused due to such retirement.

Registered Office:

201, Kailash Plaza,
Plot No. A-12,
Opp. Laxmi Industrial Estate,
Link Road, Andheri West,
Mumbai 400 053

Corporate Office:

901/902, Supreme Chambers,
Off. Veera Desai Road,
Andheri West,
Mumbai 400 053
Tel: +91 22 66021500
Email: compliance.officer@erosintl.com

Registrar and Transfer Agent:

M/s. Link Intime India Private limited
Unit: Eros International Media Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai 400 078
Tel: +91 22 25946970
Email: rnt.helpdesk@linkintime.co.in

Mr. Vijay Ahuja is interested in the resolution set out in item No. 3 of the Notice. Relatives of Mr. Vijay Ahuja may be deemed to be interested in the resolution set out at Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Except for Mr. Sunil Lulla and Mr. Kishore Lulla, co-brothers of Mr. Vijay Ahuja, none of the other Directors, Key Managerial Personnels or their relatives are concerned or interested in Item No. 3 above.

The Board recommends the resolution at Item No. 3 for approval by the members.

By Order of the Board of Directors
For **Eros International Media Limited**

Place : Mumbai

Date : 27 May 2016

Dimple Mehta

Vice President - Company Secretary &
Compliance Officer



Eros International Media Limited

CIN: L99999MH1994PLC080502

Registered Office: 201, Kailash Plaza, Plot No. A-12, Opp. Laxmi Industrial Estate, Link Road, Andheri (West), Mumbai - 400 053

Corporate Office: 901/ 902, Supreme Chambers, Off Veera Desai Road, Andheri (West), Mumbai 400 053

Phone: 91 22 66021500 Fax: 91 22 66021540 Email: compliance.officer@erosintl.com

Website: www.erosintl.com

ATTENDANCE SLIP

(To be presented at the entrance of the meeting hall)

22nd Annual General Meeting on Thursday, 29 September, 2016 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 NO. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN : L99999MH1994PLC080502
 Name of the Company : EROS INTERNATIONAL MEDIA LIMITED
 Registered office : 201, Kailash Plaza, Plot no. A-12, Opp. Laxmi Industrial Estate, Link Road, Andheri West
 Mumbai – 400 053
 Name of the Member (s) :
 Registered address :
 E-mail ID :
 Folio No/ Client ID :
 DP ID :

I/We, being the member(s) of _____ shares of Eros International Media Limited, hereby appoint:-

1. of having email id or failing him
2. of having email id or failing him
3. of having email id or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Thursday, 29 September, 2016 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
1	To receive, consider and adopt (a) audited financial statements of the Company for the year ended 31 March, 2016 together with Directors Report and Auditors Report thereon & (b) audited consolidated financial statements for the year ended 31 March, 2016 together with the auditors report thereon.		
2	To ratify the appointment of M/s Walker Chandio & Co LLP, Chartered Accountant, Mumbai (Registration No. – 001076N/N500013) Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.		
3	To note the retirement of Mr. Vijay Ahuja by rotation, who does not seek re-appointment and to resolve that the vacancy so created shall not be filled up		

Signed this day of 2016



.....
Signature of shareholder

.....
Signature of first proxy holder

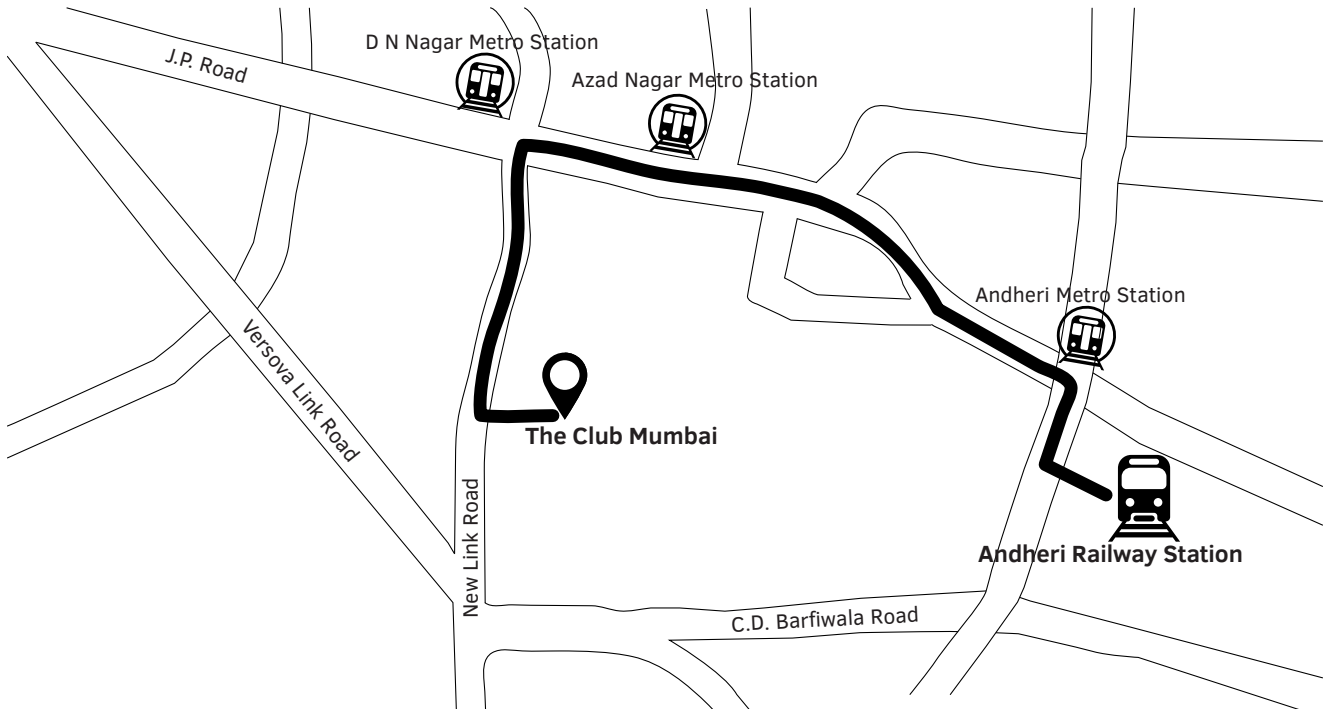
.....
Signature of second proxy holder

.....
Signature of third proxy holder

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the 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.

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

Corporate Information

BOARD OF DIRECTORS

Mr. Naresh Chandra

Non Executive Chairman & Independent Director

Mr. Sunil Lulla

Executive Vice Chairman & Managing Director

Mr. Kishore Lulla

Executive Director

Mr. Dharendra Swarup

Independent Director

Mr. Rakesh Sood

Non Executive Independent Director

Ms. Jyoti Deshpande

Executive Director

Mr. Vijay Ahuja

Non Executive Non Independent Director

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

REGISTERED OFFICE

201, Kailash Plaza,
Plot No. A-12, Opp. Laxmi Industrial
Estate Link Road, Andheri West
Mumbai – 400 053

BANKERS

Indian Overseas Bank (Lead Banker)

Bank of Baroda

Dena Bank

Union Bank of India

Punjab National Bank

Oriental Bank of Commerce

CORPORATE OFFICE

901/902, Supreme Chambers,

Off. Veera Desai Road, Andheri West

Mumbai – 400 053

Tel: 91 22 66021500

Fax: 91 22 66021540

Email: compliance.officer@erosintl.com

Website: www.erosintl.com

REGISTRAR & SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited

Unit – Eros International Media Limited

C-13, Pannalal Silk Mills Compound

L. B. S. Marg, Bhandup (W)

Mumbai – 400 078

Tel: 91 22 2594 6970

Email: rnt.helpdesk@linkintime.co.in

REGISTERED OFFICE

Eros International Media Limited
CIN: L99999MH1994PLC080502
201, Kailash Plaza, Plot No. A-12,
Opposite Laxmi Industrial Estate,
Link Road, Andheri (W),
Mumbai - 400 053.
Tel: + (91 22) 66021500
Fax: + (91 22) 66021540

ॐ भूर्भुवः स्वः । तत्सवितुर्वरेण्यं । भर्गो देवस्य धीमहि । धियो यो नः प्रचोदयात् ।

ॐ भूर्भुवः स्वः । तत्सवितुर्वरेण्यं । भर्गो देवस्य धीमहि । धियो यो नः प्रचोदयात् ।