

INDEPENDENT AUDITOR'S REPORT

To the Members of EROSNOW PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **EROSNOW PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its Loss including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the audit of the Financial Statements

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

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

our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income , the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act;
- e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting with reference to these Financial Statements;
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 33 to the financial statements;
 - 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.
 - iv. (a) Management has represented to us that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) Management has represented to us that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (g) (iv) (a) & (b) contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No. 101720W/W100355

Amit Chaturvedi
Partner
Membership No. 103141
UDIN:- 22103141AJVHBF6897
Place- Mumbai
Date: 28th May, 2022

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE FINANCIAL STATEMENTS OF EROSNOW PRIVATE LIMITED

(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)

- i) In respect of its Property, Plant and Equipment:-
- (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment on the basis of available information.
 - (B) As the Company has no Intangible Assets during the year, the requirement of clause (i) (a) of Paragraph 3 of the Order for Intangible Assets is not applicable.
 - (b) As explained to us, Property, Plant and Equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) As the Company has no immovable properties during the year, the requirement of clause (i) (c) of Paragraph 3 of the Order is not applicable.
 - (d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment during the year.
 - (e) As the Company has no immovable properties during the year, the requirement of clause (i) (e) of Paragraph 3 of the Order is not applicable.
- ii) (a) As the Company does not have Inventories during the year, clause (ii) (a) of paragraph 3 of the Order is not applicable to the Company.
- (b) The Company has not availed any working capital limits from banks or financial institutions during the year on the basis of security of current assets. Consequently, the requirement of clause (ii) (b) of paragraph 3 of the Order is not applicable to the Company.
- iii) With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:-
- a) As per the information and explanations given to us and books of accounts and records examined by us, during the year, the Company has not provided any guarantee or security and has not granted any advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities. With respect to loans granted during the year:-

- i. Loan of ₹5,117 Lakhs has been granted to four Companies during the year and balance outstanding at balance sheet date with respect to such loans are ₹4,799 Lakhs.
- b) In our opinion and according to information and explanations given us and on the basis of our audit procedures, the terms and conditions of all loans made by the Company are not prejudicial to the Company's interest. The Company has not made any investments or provided any guarantees or given security and has not granted any advances in the nature of loans during the year.
- c) According to the books of accounts and records examined by us in respect of the loans granted, there is no stipulation of schedule of repayment of principal and payment of interest.
- d) In respect of the said loan and interest thereon, there are no overdue amounts.
- e) The Company has not renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Consequently, the requirement of clause (iii) (e) of paragraph 3 of the Order is not applicable to the Company.
- f) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the Company has granted loan to four parties either repayable on demand or without specifying any terms of period of repayment. In respect of the said loan:-

(₹ In Lakhs)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans	5,117	3,225	1,892
-Repayable on Demand (A)	5,117	3,225	1,892
-Agreement doesn't specify any terms or period of repayment (B)	-	-	-
Total (A+B)	5,117	3,225	1,892
Percentage of loans to the total loans	100%	100%	100%

- iv) The Company has not directly or indirectly advanced loan to the person or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act. The Company has complied with the provisions of the Section 186 of the Act, in respect of investments, loans, guarantee or security given.
- v) According to the information and explanations given to us, the Company has not accepted any deposits and there are no amounts which are deemed to be deposit, within the meaning of provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.

vii) In respect of Statutory dues :

a) According to the records of the Company, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to it have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. According to the information and explanations given to us, following are the undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2022 for a period of more than six months from the date of becoming payable:-

Sr. No.	Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due Date	Date of Payment
1	Income Tax Act, 1961	Tax Deducted at Source (TDS)	258.79	April 2021 to September 2021	Various dates	Unpaid
2	Income Tax Act, 1961	Interest on Tax deducted at Source (TDS)	44.41	April 2021 to September 2021	Various dates	Unpaid

b) According to the information and explanations given to us, there are no dues of goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to it, which have not been deposited as on March 31, 2022 on account of any dispute, except the disputed statutory dues aggregating to c 113.50 Lakhs on account of disputed matters pending before the appropriate authorities as under:-

Sr. No.	Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Amount paid under protest (₹ In Lakhs)	Period to Which the amount relates	Forum where dispute is Pending
1	Finance Act 1994	Service Tax	113.50	20.00	1-05-2006 to 31-03-2011	CESTAT

- viii) According to the information and explanations given to us, there are no transactions which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961). Consequently, the requirement of clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix) (a) According to the information and explanations given to us, the Company has not raised any loan or other borrowings; hence clause (ix) (a) of paragraph 3 of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, the Company has not raised money by way of term loan.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) As the Company has no subsidiaries, associates or joint ventures, hence clause (ix) (e) and (ix) (f) of paragraph 3 of the Order is not applicable to the Company.
- x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence clause (x) (a) of paragraph 3 of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi) (a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) In our opinion and according to the information and explanations given to us and as represented to us by the Management, there are no reports under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- xii) In our opinion Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

xiii) (a) In our opinion and according to the information and explanations given to us, Section 177 of the Act is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, Company is in compliance with the Section 188 of the Companies Act, 2013 and requisite details have been disclosed in the financial statements.

xiv) In our opinion and based on our examination, the Company doesn't have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013. Consequently, the provisions of clause (xiv) (a) to (xiv) (b) of paragraph 3 of the Order are not applicable to the Company.

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

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

(b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

(c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) The Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause (xvi) (d) of the Order is not applicable.

xvii) The Company has incurred cash loss of ₹ 2,386 Lakhs during the financial year covered by the audit and ₹ 1,040 Lakhs in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and

when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) In our opinion and according to the information and explanations given to us, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company; hence clause (xx) (a) and (xx) (b) of paragraph 3 of the Order are not applicable to the Company.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No. 101720W/W100355

Amit Chaturvedi
Partner
Membership No. 103141
UDIN:- 22103141AJVHBF6897
Place- Mumbai
Date: 28th May, 2022

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF EROSNOW PRIVATE LIMITED

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

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

We have audited the internal financial controls over financial reporting of **EROSNOW PRIVATE LIMITED** (“the Company”) as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting with reference to these Financial Statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W/W100355

Amit Chaturvedi

Partner

Membership No. 103141

UDIN:- 22103141AJVHBF6897

Place- Mumbai

Date: 28th May, 2022

ErosNow Private Limited
Balance Sheet as at 31 March 2022

Particulars	Note No.	Amount ₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	53	87
Financial assets			
Other financial assets	4	65	93
Loans	5	1,500	-
Tax assets (net)	6	290	513
Deferred tax assets (net)	7	-	895
Total Non-current assets		1,908	1,587
Current assets			
Financial assets			
Investments	8	0	0
Trade receivables	9	1,304	1,229
Cash and cash equivalents	10	134	40
Loans	11	3,299	1,580
Other current assets	12	237	203
Total Current assets		4,974	3,054
Total Assets		6,882	4,641
Equity and liabilities			
Equity			
Equity share capital	13	1	1
Other equity	14	(3,892)	(625)
Total Equity		(3,891)	(624)
Liabilities			
Non-current liabilities			
Employee benefit obligation	15	64	91
Total non-current liabilities		64	91
Current liabilities			
Financial liabilities			
Borrowings	16	1	3
Trade payables dues to	17		
Micro and small enterprises		63	47
Other than Micro and small enterprises		8,089	3,411
Other current liabilities	18	2,493	1,631
Employee benefit obligation	19	63	83
Total current liabilities		10,710	5,175
Total Equity and liabilities		6,882	4,641

Note 1 to 42 form an integral part of these financial statements

As per our report on even date
For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration no. : 101720W/W100355

For and on behalf of Board of Directors

Amit Chaturvedi
Partner
Membership No: 103141

Sunil Lulla
Director
(DIN: 00243191)

Anand Shankar
Director
(DIN: 02942810)

Place: Mumbai
Date: 28th May, 2022

ErosNow Private Limited
Statement of Profit and Loss for the year ended 31 March 2022

Particulars	Note No.	Amount ₹ in Lakhs	
		Year ended 31 March 2022	Year ended 31 March 2021
Revenue			
Revenue from operations	20	403	426
Other income	21	236	411
Total revenue		639	838
Expenses			
Operating expenses	22	152	12
Employee benefits expense	23	2,448	1,506
Finance costs	24	143	144
Depreciation expense	3	34	37
Other expenses	25	282	216
Total expenses		3,059	1,915
Profit / (Loss) before tax		(2,420)	(1,077)
Tax expense			
Current tax		-	0
Deferred Tax		881	(510)
Income tax expense		881	(510)
Profit / (Loss) after tax for the period		(3,301)	(567)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gain on defined benefit liability		48	5
(ii) Income tax effect		(13)	(1)
Total other comprehensive income		35	4
Total comprehensive income for the year		(3,267)	(563)
Earnings per equity share (face value of ₹ 100 each)			
Basic (Rs)		(3,30,115)	(56,699)
Diluted (Rs)		(3,30,115)	(56,699)

Note 1 to 42 form an integral part of these financial statements

As per our report on even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration no. : 101720W/W100355

For and on behalf of Board of Directors

Amit Chaturvedi

Partner

Membership No: 103141

Sunil Lulla

Director

(DIN: 00243191)

Anand Shankar

Director

(DIN: 02942810)

Place: Mumbai

Date: 28th May, 2022

ErosNow Private Limited
Statement of Cash flows for the year ended 31 March 2022

Particulars	Amount ₹ in Lakhs	
	Year ended 31 March 2022	Year ended 31 March 2021
(A) Cash flow from operating activities		
Loss before tax	(2,420)	(1,077)
Adjustments for		
Depreciation expenses	34	37
Foreign exchange loss/(gain)	144	(66)
Provision written back	-	(123)
Loss on Fixed assets written off*	0	1
Reversal of ECL	4	(5)
Unbilled balances written off	-	45
Provision for doubtful advances	-	83
Interest expense	143	144
Interest income	(240)	(218)
Operating profit before working capital changes	(2,335)	(1,179)
Adjustment for		
Increase/(Decrease) in trade payables	4,777	1,918
Increase/(Decrease) in other current liabilities	862	9
Increase/(Decrease) in provisions	(46)	133
Decrease / (increase) in trade receivables	65	238
(Increase)/Decrease in other current assets	(34)	(143)
(Increase)/Decrease in other financial assets	29	0
Cash generated from operations	3,316	975
Income taxes refund/(Paid)	222	(52)
Net cash flow from operating activities (A)	3,539	923
(B) Cash flow from investing activities		
Purchase of property, plant and equipment'	(0)	(63)
Loan given to related party (net)	(3,443)	(853)
Interest Income*	0	-
Net cash flow from investing activities (B)	(3,443)	(917)
(C) Cash flow from financing activities		
Proceeds from issue of equity shares (net)		
Repayment of borrowings	(2)	(17)
Interest expense*	(0)	(1)
Net cash flow from financing activities (C)	(2)	(18)
Net cash flows during the year (A + B + C)	94	(11)
Cash and cash equivalents at the beginning of the year	40	52
Net cash and cash equivalents at the end of the year	134	40

* amount represent less than ₹1 lakh

Note 1 to 42 form an integral part of these financial statements

Change in liability arising from financing activities :-

	Non current borrowings	Current borrowing	Total
As on 1 April 2021	-	3	3
Cash Flows	-	(2)	(2)
Adjustments	-	-	-
As on 31 Mar 2022	-	1	1
As on 1 April 2020	1	18	19
Cash Flows	(1)	(15)	(16)
Adjustments	-	-	-
As on 31 Mar 2021	-	3	3

As per our report on even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration no. : 101720W/W100355

For and on behalf of Board of Directors

Amit Chaturvedi

Partner

Membership No: 103141

Sunil Lulla

Director

(DIN: 00243191)

Anand Shankar

Director

(DIN: 02942810)

Place: Mumbai

Date: 28th May, 2022

ErosNow Private Limited
Notes forming part of the financial statements
Statement of changes in Equity

A. Equity Share Capital

Amount ₹ in Lakhs except share data

	Number	(Amount in ₹)
Balance as at 1 April 2020	1,000	1
Changes in Equity Share capital during the year 2020-21	-	-
Balance as at 31 March 2021	1,000	1
Balance as at 1 April 2021	1,000	1
Changes in Equity Share capital during the year 2021-22	-	-
Balance as at 31 March 2022	1,000	1

Amount ₹ in Lakhs

B. Other equity

	Reserves and surplus			Total equity
	Securities premium	'Other comprehensive income	Retained earnings	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Balance as at 1 April 2020	267	42	(371)	(62)
Loss for the year	-	-	(567)	(567)
Other comprehensive income	-	4	-	4
Balance as at 31 March 2021	267	46	(938)	(625)
Balance as at 1 April 2021	267	46	(938)	(625)
Loss for the year	-	-	(3,301)	(3,301)
Other comprehensive income	-	35	-	35
Balance as at 31 March 2022	267	80	(4,238)	(3,892)

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration no. : 101720W/W100355

For and on behalf of Board of Directors

Amit Chaturvedi
Partner
Membership No: 103141

Sunil Lulla
Director
(DIN: 00243191)

Anand Shankar
Director
(DIN: 02942810)

Place: Mumbai
Date: 28th May, 2022

ErosNow Private Limited
Notes forming part of the financial statements

1) Corporate information

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

2) Significant accounting policies and key accounting estimates and judgements

Basis of preparation

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

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

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

Use of estimates

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

Operating cycle and current non-current classification

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

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

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

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

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Foreign currency transactions and balances

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

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

ErosNow Private Limited
Notes forming part of the financial statements

Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenue recognition

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

Rendering of services

Revenue is recognized on delivery of content to customers, on the basis of monthly log reports received from customers as per contracted terms. It also recognized basis the progress towards complete satisfaction of performance obligation at the reporting period. The Company recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognizes either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

ErosNow Private Limited
Notes forming part of the financial statements

(i) Interest income

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

(ii) Dividends

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

Other revenue is recognised on accrual basis.

Income taxes

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

(i) Current income tax:

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

(ii) Deferred tax:

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities

Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment.

ErosNow Private Limited
Notes forming part of the financial statements

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

Depreciation on property, plant and equipment is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Borrowing costs

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

Impairment of non-financial assets

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

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

Leases

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

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

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

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

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

Financial instruments
Initial recognition and measurement

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

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

ErosNow Private Limited
Notes forming part of the financial statements

i. Financial assets

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

Subsequent measurement

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

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

Financial assets measured at amortized cost

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

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

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

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

Financial assets measured at FVTPL

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

De recognition

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

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

Impairment of financial assets

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

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

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

ErosNow Private Limited
Notes forming part of the financial statements

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

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

ii. Financial liabilities

Subsequent measurement

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

Financial liabilities at amortized cost

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

Financial liabilities at FVTPL

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

De-recognition

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

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company does not have any derivative financial instruments.

Cash and cash equivalents

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

Trade receivables

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

Provisions

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

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

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

ErosNow Private Limited
Notes forming part of the financial statements

Contingencies

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

Employee benefits

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

- Defined contribution plan

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

-Defined benefit plan

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

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

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

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

Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

Trade and other payables

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

Key accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

ErosNow Private Limited
Notes forming part of the financial statements

Judgements

(i) Deferred income taxes

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

Estimates

(i) Useful lives of various assets

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

(ii) Current income taxes

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

(iii) Accounting for defined benefit plans

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

(iv) Impairment

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

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

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

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

Standards issued but not effective

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

Ind AS 101 – First time adoption of Ind AS
Ind AS 103 – Business Combination
Ind AS 109 – Financial Instrument
Ind AS 16 – Property, Plant and Equipment
Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets
Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the company's financial statements.

3 Property, plant and equipment

Amount ₹ in Lakhs

Descriptions of assets	Data processing equipments*	Electrical equipment	Furniture and fittings	Lease assets	Right of Use Asset	Motor vehicle*	Office equipment	Total
(I) For Year ended 31 March 2022								
Acquisition Cost								
As at 1 April 2021	801	6	18	47	16	7	13	908
Additions	0	-	-	-	-	-	-	0
Disposals	(5)	-	-	-	-	-	-	(5)
As at 31 March 2022	796	6	18	47	16	7	13	903
Depreciation								
As at 1 April 2021	718	6	17	45	16	7	12	821
Depreciation charge for the period	32	0	0	2	-	0	0	34
Disposals	(4)	-	-	-	-	-	-	(4)
As at 31 March 2022	745	6	17	47	16	7	12	850
Carrying amount as at 31 March 2022	51	0	1	0	-	0	1	53
(II) For year ended 31 March 2021								
Acquisition Cost								
As at 1 April 2020	755	9	19	47	16	7	13	866
Additions	63	-	-	-	-	-	-	63
Disposals	(18)	(3)	(0)	-	-	-	(1)	(21)
As at 31 March 2021	801	6	18	47	16	7	13	908
Depreciation								
As at 1 April 2020	713	8	17	30	16	7	13	804
Depreciation charge for the year	22	0	0	15	-	0	0	37
Disposals	(17)	(2)	(0)	-	-	-	(1)	(20)
As at 31 March 2021	718	6	17	45	16	7	12	821
Carrying amount as at 31 March 2021	83	0	1	2	-	0	1	87

*Finance lease disclosure

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

ErosNow Private Limited
Notes forming part of the financial statements

	<u>Amount ₹ in Lakhs</u>	
	As at 31 March 2022	As at 31 March 2021
4. Other financial assets		
Deposits- unsecured and considered good		
Security Deposit	26	54
Fixed Deposit with Bank (In lieu BG)	1	1
Interest accrued on Fixed Deposit	-	0
Trade deposit	38	38
Total	65	93

5. Loans

Unsecured and considered good

Amount due from related party(Refer note:- 28)	1,500	-
Total	1,500	-

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

As at 31st March 2022 :

Amount ₹ in lakhs

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	1,500	100.00%

As at 31st March 2021 :

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
NIL		

6. Non-current tax assets (net)

At the beginning of the year	513	411
Income tax refund/(paid) - net	(222)	101
At end of the year	290	513

ErosNow Private Limited
Notes forming part of the financial statements

	<u>Amount ₹ in Lakhs</u>	
	As at 31 March 2022	As at 31 March 2021
7. Deferred tax (Assets)/liabilities (net)		
Deferred tax liability on		
Depreciation on tangible assets	-	-
Total	-	-
Deferred tax assets on		
Depreciation on tangible assets	-	28
Employee obligations	-	48
Provision on expected credit loss	-	67
Brought forward losses	-	751
Total	-	895
Deferred tax (Assets)/liabilities (net)	-	(895)
8. Current investments		
Equity shares in companies		
(quoted and accounted at fair value)		
10 (10) equity shares of Shyam Telecom*	0	0
Total	0	0
* amount represent less than ₹1 lakh		
9. Trade receivables (Unsecured)		
Considered good	883	1,059
Related party	-	-
Others	883	1,059
Considered doubtful	246	242
Less : Allowance for expected credit loss	(246)	(242)
Unbilled revenue	421	171
Total	1,304	1,229
9.1 Refer Note 36 for Trade Receivable Ageing		
10. Cash and cash equivalents		
Balances with banks - in current account	134	40
Cash in hand	-	-
Total	134	40

ErosNow Private Limited
Notes forming part of the financial statements

	<u>Amount ₹ in Lakhs</u>	
	As at 31 March 2022	As at 31 March 2021
11. Loans		
Unsecured and considered good		
Loan to Related party (refer note: 28)	3,299	1,580
Total	3,299	1,580

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

As at 31st March 2022 : **Amount ₹ in lakhs**

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	2,170	66%
Related Parties	1,129	34%

As at 31st March 2021 : **Amount ₹ in lakhs**

Type of Borrower	Amount of loan	Percentage to the
Promoter	1,009	64%
Related Parties	571	36%

12. Other current assets (Unsecured and considered good)

Advance to suppliers	44	17
Advance to employees	3	2
Other receivable	35	45
Prepaid expense	30	16
Receivable from related party (refer note: 28)	126	123
Total	237	203

13. Equity

	Amount ₹ in Lakhs except share data	
	Number	Amount
(A) Authorised share capital		
Beginning of the year 1 April 2021	5,000	5
Increase/(Decrease) during the year	-	-
Total shares authorised At 31 March 2022	5,000	5
Total authorised share capital as at 31 March 2022	5,000	5
Issued equity capital		
Equity shares of ₹ 100 each issued, subscribed & fully paid		
Balance as at 1 April 2021	1,000	1
Changes during the year	-	-
Balance as at 31 March 2022	1,000	1
Shares issued and fully paid as at 31 March 2022	1,000	1

a) Terms/Rights attached to shares

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

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

	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	Amount ₹ in lakhs	Number of shares held	Amount ₹ in lakhs
Eros International Media Limited - Holding company	1,000	1	1,000	1

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

	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% holding	Number of shares held	% holding
Eros International Media Limited - Holding company & nominee	1,000	100%	1,000	100%

d) Shareholding of Promoter
As at 31st March 2022

Sr.No.	Class of Equity share	Promoter's Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
1	Equity Shares	Eros International Media Limited	1,000	-	1,000	100%	-

As at 31st March 2021

Sr.No.	Class of Equity share	Promoter's Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
1	Equity Shares	Eros International Media Limited	1,000	-	1,000	100%	-

14. Other Equity

	Security Premium	Other comprehensive income	Retained earnings	Total equity
Balance as at 1 April 2020	267	42	(371)	(62)
Profit/(Loss) for the year	-	-	(567)	(567)
Other comprehensive income / (loss) for the year	-	4	-	4
Balance as at 31 March 2021	267	46	938	625
Balance as at 1 April 2021	267	46	(938)	(625)
Loss for the year	-	-	(3,301)	(3,301)
Other comprehensive income / (loss) for the period	-	35	-	35
Balance as at 31 March 2022	267	80	(4,239)	(3,892)

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

ErosNow Private Limited
Notes forming part of the financial statements

	<u>Amount ₹ in Lakhs</u>	
	As at 31 March 2022	As at 31 March 2021
15. Employee benefit obligation		
Non Current		
Provisions for employee benefits		
Compensated absence (refer Note: 27)	-	-
Gratuity (refer Note: 27)	64	91
Total	64	91
16. Other financial liabilities		
Borrowing		
Others	1	3
	1	3
17. Trade payables		
Micro and small enterprises		
Others	63	47
Other than Micro and small enterprises		
Others	2,567	783
Related parties (refer note: 28)	5,523	2,628
	8,153	3,458
17.1 Refer Note 37 for trade payable ageing		
18. Other current liabilities		
Advance from customers	240	-
Unearned revenue	670	424
Other provisions		
Expenses	691	499
Employees	231	205
Statutory dues	660	503
	2,493	1,631
19. Employee benefit obligation		
Current		
Provisions for employee benefits		
Compensated absence (refer Note: 27)	42	69
Gratuity (refer Note: 27)	21	14
Total	63	83

ErosNow Private Limited
Notes forming part of the financial statements

	Amount ₹ in Lakhs	
	Year ended 31 March 2022	Year ended 31 March 2021
20. Revenue from operations		
Revenue from operations	393	399
Other operating income	10	28
Total	403	426
21. Other income		
Interest income		
Bank deposit*	0	0
Income tax refund	25	3
Loan to related party	216	215
Gain on foreign currency transactions and translation (net)	-	66
Scarp sale*	0	-
Reversal of Provision for doubtful debt	(4)	5
Provision and balances written back	-	123
Total	236	411
* amount represent below ` lakh		
22. Operating expenses		
Content expenses	18	12
Technology expenses	46	-
Advertisement expenses	88	-
Total	152	12
23. Employee benefits expense		
Salary and bonus	2,288	1,414
Employer Contribution to provident funds (refer note 27)	123	74
Gratuity expenses (refer note 27)	37	18
Total	2,448	1,506
24. Finance costs		
Interest on MSME	3	-
Interest on delayed payment of taxes		
Delay Payment of TDS	115	34
Delay payment of GST	24	108
Interest on right to use rental asset	0	1
Total	143	144
25. Other expenses		
Rates and taxes	15	21
Legal and professional expenses	40	50
Auditors remuneration (refer note 34)	10	10
Loss on fixed assets written off	0	1
Provision for doubtful advances	-	83
Loss on foreign currency transactions and translation (net)	144	-
Bank charges	2	1
Unbilled balances written off	-	45
Miscellaneous expenses	71	5
Total	282	216
26. Earnings per share (EPS)		
Profit/(Loss) after tax attributable to equity shareholders	(3,301)	(567)
Weighted average number of equity shares	1,000	1,000
Basic and diluted EPS (face value of ₹100 per share) (Rs)	(3,30,115)	(56,699)

ErosNow Private Limited
Notes forming part of the financial statements

27. Employee benefits

During the last FY as on Oct 1 2020 139 employee related to eros now business got transferred from Eros International Media Limited. All the liability and assets with respect to such employee was transferred to the company. There is no such transfer of employees in current FY.

1. Short term employee benefits

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

2. Long term employee benefits

The disclosures as per Ind AS-19 are as under

(i) Defined benefit plan

Gratuity (Unfunded):

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a unfunded plan.

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

Particulars	Amount ₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
At the beginning of the period	105	33
Interest cost	6	2
Current service cost	31	17
Past service cost	-	-
Liability Transferred In/ Acquisition: (Benefit paid directly by the employer)	(9)	(1)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(22)	9
Actuarial (gains)/losses on obligations - due to change in financial assumption	1	(27)
Actuarial (gains)/losses on obligations - due to experience	(27)	13
At the end of the year	85	105
Current portion of gratuity	21	14
Non-current portion of gratuity	64	91
Total	85	105

B. Amount recognised in the statement of profit and loss

Particulars	Amount ₹ in Lakhs	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest cost	6	2
Current service cost	31	17
Past service cost	-	-
Net impact as employee benefit expenses	37	17
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(22)	9
Actuarial (gains)/losses on obligations - due to change in financial assumption	1	(28)
Actuarial (gains)/losses on obligations - due to experience	(27)	13
Net impact as other comprehensive income before tax	(48)	(5)

C. Amount recognised in the balance sheet

Particulars	Amount ₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Obligation for gratuity	85	105
	85	105

Number of active members are 138 (2020 - 29)

Weighted average duration of the projected benefit obligation for gratuity is 6 years (2020 : 5 years
(this space has been intentionally left blank))

ErosNow Private Limited
Notes forming part of the financial statements

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

Particulars	Amount ₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
1st following year	21	14
2nd following year	26	9
3rd following year	17	14
4th following year	11	15
5th following year	7	15
Sum of years 6 to 10	9	45
Sum of years 11 to above	1	27

E. Assumptions

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

ErosNow Private Limited
Notes forming part of the financial statements
Particulars

	As at 31 March 2022	As at 31 March 2021
Rate of discounting - Indicative Government security referenced rate of interest	4.56%	5.58%
Rate of salary increase	4.76%	4.76%
Rate of employee turnover	45.00%	23.00%
Mortality Rate During Employment - Published rates under the Indian Assured Lives Mortality (2012-14) Urban		

F. Sensitivity

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

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Rate of discounting	Increase by 1%	Decrease by 1%	Increase by 1%
Increase / (decrease) in the defined benefit liability	-1	1	-5	5
Rate of salary increase	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase / (decrease) in the defined benefit liability	1	-1	5	-4
Rate of employee turnover	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase / (decrease) in the defined benefit liability	-1	1	-1	1

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

(ii) Defined contribution plan

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

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

Contribution to defined contribution plan recognised as employee benefit expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	Employer's Contribution towards Provident Fund (PF)	123
Employer's Contribution towards Employee's State Insurance Corporation (ESIC)	0	0
Total	123	74

(b) Compensated absences

The Company's liability towards compensated leaves is determined for the entire un-availed vacation balance standing to the credit of each employee as at year-end. Due to change in the leave encashment policy, it has been decided by the management to discontinue with leave encashment policy w.e.f. April 1, 2020. Thus, during the year, no leave encashment recognised by the company. As at 31 March 2022, Company has obligation of ₹ 42.20 Lakhs (2021 : ₹ 68.50 Lakhs related to exp for period up to mar 2021).

Current portion of compensated absence	42	69
Non-current portion of compensated absence	-	-
Total	42	69

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ErosNow Private Limited
Notes forming part of the financial statements

28. Related party disclosures

Ultimate Holding company* Eros Media World PLC (formerly Eros STX Global Corporation), Isle of Man

Step up Holding company* Eros Worldwide FZ LLC, Dubai
Holding company Eros International Media Limited

Entities under common control (Fellow Subsidiaries) Eros Digital Private Limited *
Eros Digital FZ LLC *
Eros International Films Private Limited

Key Management Personnel (KMP) Mr. Sunil Lulla - Director
Mr. Anand Shankar Kamtam - Director (w.e.f. 8 March 2018)
Mr. Farokh P. Gandhi - Director (up to 14 August 2021)
Mr. Pradeep Dwivedi - Director (w.e.f. 21 August 2020)
Mr. Vijay Thaker - Director (w.e.f. 7 February 2020)
Mr. Vijay Sandeep Vaishnav - CFO (up to 11 February 2022)

* up to 15 September 2021

	% of Holding	% of Holding
	31 March 2022	31 March 2021
Eros International Media Limited - Holding company	100%	100%

ErosNow Private Limited
Notes forming part of the financial statements
A. Transactions during the year with related parties

Particulars	Amount ₹ in Lakhs	
	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations		
Holding company		
Eros International Media Limited	-	-
	-	-
Interest Income		
Eros International Media Limited	172	173
	172	173
Entities under common control		
Interest Income		
Eros International Films Private Limited	44	42
	44	42
Operating expenses		
Holding company		
Eros International Media Limited	8	12
	8	12
Gratuity/ LE Liability transferred		
Holding company		
Eros International Media Limited	-	123
	-	123
Staff Loan/ Scrap sale transferred		
Holding company		
Eros International Media Limited*	0	0
	0	0
Purchase of tangible assets		
Holding company		
Eros International Media Limited	-	4
	-	4
Loan given		
Holding company		
Eros International Media Limited	3,225	2,751
	3,225	2,751
Loan given		
Entities under common control		
Eros International Films Private Limited	1,442	585

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

Eros International Ltd.	448	-
Big Screen Ent. Pvt.Ltd.	1	
	1,892	585
Repayment of loan given		
Holding company		
Eros International Media Limited	665	2,427
	665	2,427
Repayment of loan given		
Entities under common control		
Eros International Films Private Limited	925	56
Eros International Ltd.	447	-
	1,372	56
Revenue and cost attributable to (net):		
Entities under common control		
Eros Digital FZ LLC	295	1,732
	295	1,732
Revenue from operations		
Entities under common control		
Eros Digital FZ LLC	378	399
	378	399

B. Balances with related parties

Particulars	Amount ₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Other current assets		
Loan given		
Holding company		
Eros International Media Limited	2,170	1,009
	2,170	1,009
Other non- current assets		
Loan given		
Holding company		
Eros International Media Limited	1,500	-
	1,500	-
Loan given		
Entities under common control		
Eros International Films Private Limited	1,129	571
	1,129	571
Trade payables		
Holding company		
Eros International Media Limited	8	18
	8	18
Trade payables		
Entities under common control		
Eros Digital FZ LLC	5,516	2,610
	5,516	2,610
Other receivable		
Holding company		
Eros International Media Limited	123	123
	123	123
Other receivable		
Entities under common control		
Eros International Ltd.	2	-
Big Screen Ent. Pvt.Ltd.	1	-
	3	-

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

ErosNow Private Limited
Notes forming part of the financial statements

29. Segment reporting

(a) Business Segment

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

Particulars	Amount ₹ in Lakhs	
	Year ended 31 March 2022	Year ended 31 March 2021
External revenue	403	426

(a) Geographical Segment

	Amount ₹ in Lakhs	
	Year ended 31 March 2022	Year ended 31 March 2021
India	1	12
Rest of the world	402	414
	403	426

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

	Amount ₹ in Lakhs	
	Year ended 31 March 2022	Year ended 31 March 2021
Non-current assets		
Rest of the world	-	-
India	53	88
	53	88

ErosNow Private Limited
Notes forming part of the financial statements

30. Categories of financial assets and financial liabilities

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

Particulars	Amount ₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Financial assets		
Measured at fair value through profit and loss		
Investments*	0	0
	0	0
Measured at amortised cost		
Trade receivables	1,304	1,229
Cash and cash equivalents	134	40
Loans	4,799	1,580
Other financial assets	65	93
	6,302	2,943
Financial liabilities		
Measured at amortised cost		
Borrowings	1	3
Trade payables	8,153	3,458
Other financial liabilities	1,352	1,002
	9,505	4,463

* represent less than ₹ lakh

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

30A. Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based in the observability of significant inputs to the measurement, as follows:

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

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

ErosNow Private Limited
Notes forming part of the financial statements

Year ended 31 March 2022	Amount ₹ in Lakhs			
	Level 1	Level 2	Level 3	Total
Financial assets				
Measured at fair value through profit and loss				
Investments*	0	-	-	0
	0	-	-	0
Measured at amortised cost				
Trade receivables	-	-	-	1,304
Cash and cash equivalents	-	-	-	134
Loans	-	-	-	4,799
Other financial assets	-	-	-	65
	-	-	-	6,302
Financial liabilities				
Measured at amortised cost				
Borrowings	-	-	-	1
Trade payables	-	-	-	8,153
Other financial liabilities	-	-	-	1,352
	-	-	-	9,505
Year ended 31 March 2021				
Financial assets				
Measured at fair value through profit and loss				
Investments*	0	-	-	0
	0	-	-	0
Measured at amortised cost				
Trade receivables	-	-	-	1,229
Cash and cash equivalents	-	-	-	40
Loans	-	-	-	1,580
Other financial assets	-	-	-	93
	-	-	-	2,943
Financial liabilities				
Measured at amortised cost				
Borrowings	-	-	-	3
Trade payables	-	-	-	3,458
Other financial liabilities	-	-	-	1,002
	-	-	-	4,463

* represent less than ₹ lakh

31. Financial instruments risk

Risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial assets and liabilities by category are summarized in Note 30.

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

A. Market risk analysis

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk exist mainly on account of borrowings of the Company. However, all these borrowings are at fixed interest rate and hence the exposure to change in interest rate is insignificant.

(ii) Foreign currency risk

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

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

Amt in c#Lakhs	
As at 31st March 2022*	Net balance receivables/ (payables)
USD	(5,339.6)
QAR	3.0
KWD	1.2

* other currencies are below c#Lakh

Foreign currency sensitivity

Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's overseas transactions, which are primarily denominated in US dollars (USD).

A uniform decrease of 10% in exchange rates against all foreign currencies in position as of 31 March 2022 would have increased in the Company's net profit before tax by approximately ₹ 533 lakhs. An equal and opposite impact would be experienced in the event of an increase by a similar percentage.

(iii) Other price risk

The Company is mainly exposed to the price risk due to change in fair valuation of its investment in market traded equity instruments. The details of such investments are given in Note 8. The price risk arises due to uncertainties about the future market values of these investments. However, Company has insignificant value of investment in equity instruments and hence the exposure to change in interest rate is also insignificant.

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

B. Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at 31 March, as summarized below:

	Amount ₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Trade receivables (net)	1,304	1,229
Loans	4,799	1,580
	6,103	2,810

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

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

As at 31 March 2022, 31 March 2021 the Company's financial assets have contractual maturities less than a year.

C. Liquidity risk analysis

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2022 and 31st March, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents.

As at 31 March 2022, 31 March 2021 the Company's financial liabilities have contractual maturities (including interest payments where applicable) less than a year.

ErosNow Private Limited**Notes forming part of the financial statements****32. Management of capital risk**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company whereas debt includes debt less cash and cash equivalent and other bank balances.

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

	Amount ₹ in Lakhs	
	As at	As at
	31 March 2022	31 March 2021
Debt	1	3
Less: Cash and cash equivalents and other bank balances	(134)	(40)
Net debt (A)	(133)	(38)
Equity (B)	(3,891)	(624)
Net debt to equity (A/B)	3%	6%

33. Contingent liabilities and commitments (to the extent not provided for)

A. Contingent liabilities	Amount ₹ in Lakhs	
	As at	As at
	31 March 2022	31 March 2021
Particulars		
Claims against the company not acknowledged as debt		
Service tax	94	94
	94	94

On 28 February, 2013, the Company received a service tax order with reference to the internal audit conducted by the service tax department. Based on the audit conducted, department has demanded tax amounting to ₹ 113.50 Lakhs against which the company has paid ₹ 20 Lakhs during the year ended 31 March 2016. The Company has not made any provision in the books to give effect to this order and filed an appeal against the demand. The Company expects that the final outcome will be favourable. Accordingly, based on the assessment made after appropriate legal advice, ₹ 93.50 Lakhs has been considered as contingent liability.

B. Commitments

The Company does not have any commitment as at 31 March 2022 and 31 March 2021.

ErosNow Private Limited

Notes forming part of the financial statements

34. Auditors remuneration	Amount ₹ in Lakhs	
	Year ended 31 March 2022	Year ended 31 March 2021
As Auditor		
Statutory audit	9	9
Tax audit	0	1
Total	9	10

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

36 Trade Receivables ageing schedule as at 31st March, 2022

Amount ₹ in lakhs

Particulars	Outstanding for following periods from due date of payment							Total
	Not Due	Unbilled	< 6 months	6 months - 1 year	1-2 years	2 - 3 years	> 3 years	
Undisputed Trade receivables – considered good	484	421	450	85	26	43	41	1,550
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Subtotal	484	421	450	85	26	43	41	1,550

Trade Receivables ageing schedule as at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment							Total
	Not Due	Unbilled	< 6 months	6 months - 1 year	1-2 years	2 - 3 years	> 3 years	
Undisputed Trade receivables – considered good	100	171	934	75	149	37	6	1,471
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Subtotal	100	171	934	75	149	37	6	1,471

ErosNow Private Limited

Notes forming part of the financial statements

37 Trade Payables Ageing

As at 31st March 2022 :

Amount ₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	> 3 years	
i) MSME	-	60	3	-	-	63
ii) Others	814	2,618	3,993	514	151	8,090
iii) Disputed dues -MSME	-	-	-	-	-	-
iv) Disputed dues -Others	-	-	-	-	-	-
Subtotal	814	2,678	3,996	514	151	8,153

As at 31st March 2021 :

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	> 3 years	
i) MSME	4	44	-	-	-	48
ii) Others	538	1,757	920	-	195	3,410
iii) Disputed dues -MSME	-	-	-	-	-	-
iv) Disputed dues -Others	-	-	-	-	-	-
Subtotal	542	1,801	920	-	195	3,458

38 Ratio Analysis

Sr. No.	Particulars	FY 2021-22	FY 2020-21	% Change	Remarks for Variation
1	Current Ratio	0.46	0.59	-21%	Due to Increase in Trade Payable
2	Debt Equity Ratio	NA	NA	NA	-
3	Debt Service Coverage Ratio	NA	NA	NA	-
4	Return on Equity	0.85	0.91	-7%	-
5	Inventory Turnover Ratio	NA	NA	NA	NA
6	Trade Receivables Turnover Ratio	0.31	0.35	-11%	-
7	Trade Payables Turnover Ratio	0.03	0.06	-45%	Due to Increase in Trade Payable
8	Net Capital Turnover Ratio	(0.10)	(0.68)	-85%	Due to incremental losses in current financial year in comparison to previous financial year
9	Net Profit Ratio	(8.19)	(1.33)	516%	Due to incremental losses in current financial year in comparison to previous financial year
10	Return on Capital Employed	(0.62)	(0.86)	-27%	Due to incremental losses in current financial year led to higher capital employed
11	Return on Investments	0.04	0.15	-73%	Due to deployment of funds in year end

ErosNow Private Limited**Notes forming part of the financial statements****38.1 Formula for computation of ratios are as follows :**

Sr. No.	Particulars	Formula
1	Current Ratio	Current Assets / Current Liabilities
2	Debt Equity Ratio	Total Debt / Total Equity
3	Debt Service Coverage Ratio	Earnings before Interest, Tax and Exceptional Items / Interest Expense + Principal Repayments made during the period for long term loans
4	Return on Equity Ratio	Profit After Tax (Attributable to Owners) / Average Net Worth
5	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade
6	Trade Receivables Turnover Ratio	Value of Sales & Services / Average Trade Receivables
7	Trade Payables Turnover Ratio	Cost of Materials Consumed (after adjustment of RM Inventory) + Purchases of Stock-in-Trade + Other Expenses / Average Trade Payables
8	Net Capital Turnover Ratio	Value of Sales & Services / Net Worth
9	Net Profit Ratio	Profit After Tax (after Exceptional items) / Value of Sales & Services
10	Return on Capital Employed (Excluding Working Capital financing)	Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income / Average Capital Employed
11	Return on Investments	Other Income (Excluding Dividend) / Average Cash, Cash Equivalents & Other Marketable

39 Other Statutory Information :

- i) As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.
- ii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- iii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iv) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- v) The Company have not traded or invested in Crypto currency or virtual currency during the financial year.

ErosNow Private Limited

Notes forming part of the financial statements

40. Events after reporting date

No adjusting or significant non-adjusting events have occurred between 31 March 2022 and the date of authorization of these financial statements.

41. Regrouping of previous year figures

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

42. Authorisation of financial statements

The financial statements for the year ended 31 March 2022 were approved by the Board of directors on 28 May 2022

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration no. : 101720W/W100355

For and on behalf of Board of Directors

Amit Chaturvedi

Partner

Membership No: 103141

Sunil Lulla

Director

(DIN: 00243191)

Anand Shankar

Director

(DIN: 02942810)

Place: Mumbai

Date: 28th May, 2022