

M/s ANIL JAGETIYA & CO.

CHARTERED ACCOUNTANT

107, ORBIT INDUSTRIAL ESTATE,
OFF LINK ROAD, MIND SPACE,
MALAD (W), MUMBAI - 400064.

+91-22-42660701; 91-98700-65658

anil.jagetiya77@gmail.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COPSALE LIMITED,

Report on the Financial Statements

We have audited the accompanying financial statements of **COPSALE LIMITED**, which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date.

Report on other Legal and Regulatory Requirements

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, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position,
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Anil Jagetiya & Co.,
Chartered Accountants
Firm Reg. No.: 129433W

Anil Kumar Jagetiya

Anil Kumar Jagetiya
Proprietor
M. No.: 114991



Place: Mumbai

Dated: 28 MAY 2015

Copsale Limited
Balance Sheet as at 31 March 2015

(Amount in Rs.)

Particulars	Note No.	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	4,495,000	4,495,000
Reserves and Surplus	2	3,767,394,138	2,336,422,142
Current Liabilities			
Trade Payables	3	852,853,533	1,304,666,070
Other current liabilities	4	4,715,013,512	-
TOTAL		9,339,756,182	3,645,583,212
ASSETS			
Non-Current Assets			
Fixed Assets			
Intangible Assets	5	1,304,759,851	1,024,802,936
Content Advances		1,840,685,021	1,058,268,478
Non-Current Investments	6	4,077	4,077
Long-Term Loans and Advances	7	1,033,102,387	989,287,541
Current Assets			
Inventories	8	1,348,815,549	-
Trade Receivables	9	2,529,050,972	554,527,517
Cash and Bank Balances	10	1,279,529,065	18,692,663
Other current assets	11	3,809,260	-
TOTAL		9,339,756,182	3,645,583,212

Note 1 to 21 forms an integral part of the financial statements.

As per our report of even date

For Anil Jagetiya & Company

Chartered Accountants

Firm Reg No : 129433W

Anil Kumar Jagetiya



Anil Kumar Jagetiya

Proprietor

Membership No : 114991

For and on behalf of the Board

[Signature]

Director

Place: Mumbai

Dated: 28 MAY 2015

Copsale Limited

Statement of Profit and Loss for the year ended 31 March 2015

(Amount in Rs.)

Particulars	Note No.	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue from Operations	12	3,011,447,208	2,082,954,506
Other Income	13	9,886,824	5,878,297
Total Revenue		3,021,334,032	2,088,832,803
Expenses:			
Purchases/Operating Expenses	14	3,039,366,165	1,577,038,749
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	15	(1,348,815,549)	-
Other Expenses	16	506,945	231,874
Total Expenses		1,691,057,562	1,577,270,623
Profit Before Tax		1,330,276,470	511,562,180
Tax Expense:			
(1) Current Tax		-	-
(2) Short/(Excess) Provision for Earlier Years		-	-
(3) Deferred Tax		-	-
Profit/(Loss) for the period from continuing Profit/(Loss) from Discontinuing Operations		1,330,276,470	511,562,180
Tax Expense of Discontinuing Operations		-	-
Profit/(Loss) from Discontinuing operations (after tax)		-	-
Profit After Tax		1,330,276,470	511,562,180
Earnings Per Equity Share: (Face value of USD 1 each)			
Basic and diluted earnings per equity share		12,669.30	4,872.02

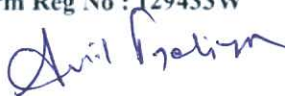
Note 1 to 21 forms an integral part of the financial statements.

As per our report of even date

For Anil Jagetiya & Company

Chartered Accountants

Firm Reg No : 129433W



Anil Kumar Jagetiya

Proprietor

Membership No : 114991



For and on behalf of the Board



Director

Place: Mumbai

Dated: 12 8 MAY 2015

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the applicable Accounting Standards as notified under the Companies Act, 2013.

II. USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual future period's results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

III. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Sale of rights is recognized on effective delivery of materials to customers as per terms of the sale agreements.

(b) Other Income

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

(c) Foreign Exchange Transactions

Foreign currency assets and liabilities are recorded at the rates of exchange at the end of the year. Items related to profit and loss account are converted based on the average price. Monetary items are converted based on the closing rate at the end of the year. Non monetary items are converted based on closing rate at the end of the year. Gain/Loss on account of translation is transferred to foreign exchange translation reserve account.

(d) Investments

Noncurrent investments are carried at cost. However, provision for diminution in the value of investments, if any, is made to recognize a decline, other than temporary in nature.

(e) Inventories

Inventories are valued at the lower of cost and net realizable value.

(f) Intangible assets and amortization

Investment in film and associated rights are recorded at their acquisition costs less accumulated amortisation and impairment losses, if any. Cost includes acquisition and production cost, subsequent overflows of such cost to the Company, direct overhead cost and capitalised interest. These rights are amortised over the estimated useful lives, writing off more in year one which recognizes initial income flows and then the balance over a period of up to nine years, or the remaining life of the content rights, whichever is less. In case these rights are not exploited along with or prior to the first domestic theatrical release, proportionate cost of such right is carried forward to be written off as and when such right is commercially exploited.

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



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

(g) Provisions and contingencies

Provisions are recognized when there is present legal or constructive obligation as a result of a past event and it is more likely than not that an outflow of resources will be required to settle the obligation. Provisions are measured at the management's best estimate of the outflow required to settle the obligations at the Balance Sheet date.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made



IV. Notes to Accounts

Note 1: Share Capital

a) Authorised, Issued, Subscribed and Paid up share capital

(Amount in Rs.)

Particulars	Par Value Per Share (USD)	As at 31 March 2015		As at 31 March 2014	
		Number	Amount	Number	Amount
<u>Authorised</u> Equity shares	1	105,000	4,495,000	105,000	4,495,000
<u>Issued, subscribed and fully paid up</u> Equity shares	1	105,000	4,495,000	105,000	4,495,000
Total		105,000	4,495,000	105,000	4,495,000

b) Terms/Rights attached to shares

The Company has only one class of equity shares having a par value of USD. 1 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.

c) Shares in the Company held by holding/ultimate holding company and/or their subsidiaries/associates

Name of Shareholder		As at 31 March 2015		As at 31 March 2014	
		No. of Shares held	Amount	No. of Shares held	Amount
Holding Company - Eros International Media Limited		105,000	4,495,000	105,000	4,495,000

d) Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder		As at 31 March 2015		As at 31 March 2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Holding Company - Eros International Media Limited		105,000	100	105,000	100



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Note 2: Reserves and surplus

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
Surplus in the Statement of Profit and Loss		
Opening balance	1,976,603,793	1,465,041,613
Add : Net Profit for the Period	1,330,276,470	511,562,180
Closing Balance	3,306,880,263	1,976,603,793
Foreign currency Translation Reserve		
Opening balance	359,818,349	174,879,204
Addition during the Period	100,695,525	184,939,144
Closing Balance	460,513,874	359,818,349
Total	3,767,394,138	2,336,422,142

Note 3: Trade payables

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
Sundry Creditors for Film Content	852,853,533	1,304,666,070
Total	852,853,533	1,304,666,070

Note 4: Other Current Liability

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
Advances from Customer	4,715,013,512	-
Total	4,715,013,512	-

Note 6: Non-current investments

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
Long-term, Non trade, Unquoted at cost unless stated otherwise		
Investment in subsidiary : Ayngaran International Limited (IOM) (51 (Previous Year 51) equity shares of USD 1 each, fully paid-up)	4,077	4,077
Total	4,077	4,077

Note 7: Long term loans and advances

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
Loans and advances to related parties unsecured, considered good	1,033,102,387	989,287,541
Total	1,033,102,387	989,287,541



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(Amount in Rs)

Note 5: Fixed assets

Particulars	Gross Block				Accumulated Depreciation			Net Block	
	Balance as on 1st April 2014	Additions/ (Disposals)	Exchange difference	Balance as at 31 March 2015	Balance as on 1st April 2014	Depreciation charge for the Period	Exchange difference	Balance as at 31 March 2015	Balance as at 31 March 2014
Intangible Assets									
Content Rights	4,228,786,043	747,021,860	173,738,889	5,149,546,792	3,203,983,057	505,756,309	135,047,575	1,304,759,851	1,024,802,987
Total	4,228,786,043	747,021,860	173,738,889	5,149,546,792	3,203,983,057	505,756,309	135,047,575	1,304,759,851	1,024,802,987
Previous year	3,096,154,627	782,456,068	350,175,298	4,228,785,993	2,590,789,462	333,419,929	279,773,665	1,024,802,936	



(Signature)

Copsale Limited

Note 8: Inventories

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
Finished goods	1,348,815,549	-
Total	1,348,815,549	-

Note 9: Trade receivables

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
Overdue for a period exceeding 6 months (net) Unsecured, considered good	176,945,550	230,207,297
Others Unsecured, considered good	2,352,105,422	324,320,220
Total	2,529,050,972	554,527,517

Note 10: Cash and cash equivalents

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
Balances with banks - in current accounts	1,279,529,003	18,692,602
Cash on hand	62	60
Total	1,279,529,065	18,692,663

Note 11: Other Current Assets

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
Accrued Interest	3,809,260	-
Total	3,809,260	-



Copsale Limited

Note 12: Revenue from operations

(Amount in Rs.)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Sale of film rights	3,011,447,208	2,082,954,506
Total	3,011,447,208	2,082,954,506

Note 13: Other Income

(Amount in Rs.)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Interest income	9,886,824	5,878,297
Total	9,886,824	5,878,297

Note 14: Purchases / Operating Expenses

(Amount in Rs.)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Film rights cost	2,533,609,856	1,243,618,820
Amortization of film rights	505,756,309	333,419,929
Total	3,039,366,165	1,577,038,749

Note 15: Changes in Inventories

(Amount in Rs.)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Inventories at the end of the year of -		
Stock-in-trade	1,348,815,549	-
	1,348,815,549	-
Inventories at the beginning of the year of -		
Stock-in-trade	-	-
	-	-
Total	(1,348,815,549)	

Note 16: Other expenses

(Amount in Rs.)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Legal and professional	181,277	125,010
Bad trade and other receivables, loans and advances written off	33,735	-
Bank charges	336,715	106,864
Foreign exchange difference	(44,782)	-
Total	506,945	231,874



Copsale Limited

Note 17: Related party information

In accordance with the requirement of Accounting Standard 18 i.e. "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the details of related party transactions are given below

a. List of related parties:

Nature of relationship	Name of related parties
Ultimate holding company	Eros International PLC
Step up Holding Company	Eros Worldwide FZ-LLC, Dubai
Holding Company	Eros International Media Limited
Subsidiaries, Fellow subsidiaries and their step down subsidiaries	Digicine PTE Limited Ayngaran International Limited (Isle of Man) Ayngaran International UK Limited Ayngaran International Mauritius Limited Ayngaran International Media Private Limited
Entities under common control	Eros International Limited United Kingdom Ayngaran International Films Private Limited
Key Management Personnel (KMP)	Mr Surender Sadhwani Mr Arjan Lulla Mr Vijay Ahuja Mr. Sunil Lulla

b. Transactions with related parties:

(Amount in Rs.)

Particulars	Entities Under Common Control	Holding Company	Step up Holding Company	Subsidiaries, Fellow subsidiaries and their step down subsidiaries	Total
Purchase of Film rights	31,22,79,630 (46,90,15,275)	63,68,05,520 (-)	47,14,81,010 (-)	- (15,12,953)	1,42,05,66,160 (47,05,28,228)
Sales	- (-)	- (-)	69,53,86,198 (1,69,81,37,886)	- (-)	69,53,86,198 (1,69,81,37,886)
Inter Corporate Loans/Advances Given	- (-)	- (-)	- (-)	- (-)	- (-)
Interest Received	- (-)	- (-)	- (-)	61,44,694 (58,70,209)	61,44,694 (58,70,209)
Balance Outstanding at the end of the year	-	64,82,89,200	4,715,013,512	20,41,48,763	85,24,37,963
Dues to Related parties	(75,96,07,316)	(-)	(19,18,09,971)	(19,66,94,208)	(1,14,81,11,495)
Dues from related parties	- (-)	- (-)	- (-)	1,03,31,02,387 (98,92,87,541)	1,03,31,02,387 (98,92,87,541)

Note 18: Balances of certain trade receivables, loans and advances and trade payables in respect of certain films are subject to confirmation/reconciliation and subsequent adjustment, if any. In the opinion of the management such adjustments are not likely to be material.

Note 19: Previous year figures have been regrouped wherever necessary.

Note 20: Figures have been rounded off to the nearest rupee.



Copsale Limited

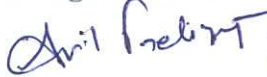
Note 21: Dues to Micro, Small and Medium enterprise

Based on the information available with the Company, there is no dues payable as at the year end to micro, small and medium enterprises as defined in The Micro, Small & Medium Enterprises Development Act, 2006. This information has been relied upon by the statutory auditors of the Company.

For Anil Jagetiya & Company

Chartered Accountants

Firm Reg No: 129433W



Anil Kumar Jagetiya

Proprietor

Membership No: 114991



For and on behalf of the Board of Directors



Director

Place: Mumbai

Date: **28 MAY 2015**