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**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 20-F**

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended March 31, 2015  
OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-32945

**EROS INTERNATIONAL PLC**

(Exact name of Registrant as specified in its charter)

**Not Applicable**

(Translation of Registrant's name into English)

**Isle of Man**

(Jurisdiction of incorporation or organization)

**550 County Avenue  
Secaucus, New Jersey 07094  
Tel: (201) 558 9001**

(Address of principal executive offices)

**Richard Vanderplank  
Fort Anne, South Quay  
Douglas, Isle of Man  
Tel: (44) 1624 638 300  
Email: [law@cains.com](mailto:law@cains.com)**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class

**A ordinary share, par value GBP 0.30 per share**

Name of each exchange on which registered

**The New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act.

**None**

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act

**None**

(Title of Class)



Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

At March 31, 2015, 31,982,488 'A' ordinary shares and 25,555,220 'B' ordinary shares, each at par value GBP 0.30 per share, were issued and outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  Yes  No

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued  
by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:  Item 17  Item 18

If this report is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

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### CONVENTIONS USED IN THIS ANNUAL REPORT

Unless otherwise indicated or required by the context, as used in this annual report, the terms “Eros,” “we,” “us,” “our” and the “Company” refer to Eros International Plc and all its subsidiaries that are consolidated under International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board. Our fiscal year ends on March 31 of each year. When we refer to a fiscal year, such as fiscal 2015 or FY 2015, we are referring to the fiscal year ended on March 31 of that year. The “Founders Group” refers to Beech Investments Limited, Olympus Foundation, Arjan Lulla, Kishore Lulla and Vijay Ahuja. “\$” and “dollar” refer to U.S. dollars.

“High budget” films refer to Hindi films with direct production costs in excess of \$8.5 million and Tamil as well as Telugu films with direct production costs in excess of \$7.0 million, in each case translated at the historical average exchange rate for the applicable fiscal year. “Low budget” films refer to both Hindi, Tamil and Telugu films with less than \$1.0 million in direct production costs, in each case translated at the historical average exchange rate for the applicable fiscal year. “Medium budget” films refer to Hindi, Tamil and Telugu films within the remaining range of direct production costs. With respect to low budget films, references to “film releases” refer to theatrical releases or, for films that we did not theatrically release, to our initial DVD, digital or other non-theatrical exhibition.

### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains “forward-looking statements” that are based on our current expectations, assumptions, estimates and projections about our company and our industry. The forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “will,” “project,” “seek,” “should” and similar expressions. Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources, tax assessment orders and future capital expenditures. We caution you that reliance on any forward-looking statement inherently involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be materially incorrect. These risks and uncertainties include but are not limited to:

- our ability to successfully and cost-effectively source film content;
- delays, cost overruns, cancellation or abandonment of the completion or release of our films;
- our ability to predict the popularity of our films, or changing consumer tastes;
- our dependence on our relationships with theater operators and other industry participants to exploit our film content;
- our ability to maintain existing rights, and to acquire new rights, to film content;
- our dependence on the Indian box office success of our Hindi and high budget Tamil and Telugu films;
- our ability to recoup the full amount of box office revenues to which we are entitled due to underreporting of box office receipts by theater operators;
- fluctuation in the value of the Indian Rupee against foreign currencies;
- the monetary and fiscal policies of India and globally, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices;
- anonymous letters to regulators or business associates making allegations regarding our business practices, accounting practices and/or officers and directors;
- our ability to compete in the Indian film industry;
- the impact of a new amendment to accounting standards for revenue-based amortization methods and the recognition of revenue from contracts with customers;
- our ability to protect our intellectual property;
- our ability to successfully respond to technological changes;
- contingent liabilities that may materialize, including our exposure to liabilities on account of unfavorable judgments/decisions in relation to legal proceedings involving us or our subsidiaries and certain of our directors and officers; and
- regulatory changes in the Indian film industry and our ability to respond to them.

These and other factors are more fully discussed in “Part I — Item 3. Key Information — D. Risk Factors,” “Part I — Item 5. Operating and Financial Review and Prospects” and elsewhere in this annual report. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans, objectives or projected financial results referred to in any of the forward-looking statements. Except as required by law, we do not undertake to release revisions of any of these forward-looking statements to reflect future events or circumstances.

## PART I

## ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

## ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

## ITEM 3. KEY INFORMATION

## A. Selected Financial Data

The table set forth below presents our selected historical consolidated financial data for the periods and at the dates indicated. The selected historical consolidated statement of income data for each of the three years ended March 31, 2015 and the selected statement of financial position data as of March 31, 2015 and 2014 have been derived from and should be read in conjunction with "Part I — Item 5. Operating and Financial Review and Prospects" and our consolidated financial statements included elsewhere in this Annual Report on Form 20-F. The selected historical consolidated statement of income data for each of the two years ended March 31, 2012 and 2011 and the selected historical statement of financial position data as of March 31, 2013, 2012 and 2011 have been derived from audited consolidated financial statements not included in this Annual Report on Form 20-F.

	Year ended March 31,				
	2015	2014	2013	2012	2011
	(in thousands, except net income per share and weighted average number of ordinary shares)				
<b>Selected Statement of Income Data</b>					
Revenue	\$ 284,175	\$ 235,470	\$ 215,346	\$ 206,474	\$ 164,613
Cost of sales	(155,777)	(132,933)	(134,002)	(117,044)	(88,017)
Gross profit	128,398	102,537	81,344	89,430	76,596
Administrative costs	(49,546)	(42,680)	(26,308)	(27,992)	(20,518)
Operating profit	78,852	59,857	55,036	61,438	56,078
Net finance costs	(5,861)	(7,517)	(1,469)	(1,009)	(1,584)
Other losses	(10,483)	(2,353)	(7,989)	(6,790)	(1,263)
Profit before tax	62,508	49,987	45,578	53,639	55,757
Income tax expense	(13,178)	(12,843)	(11,913)	(10,059)	(8,237)
Net income (1)	\$ 49,330	\$ 37,144	\$ 33,665	\$ 43,580	\$ 47,550
Net income per share					
Basic	\$ 0.74	\$ 0.66	\$ 0.69	\$ 0.96	\$ 1.16
Diluted	\$ 0.72	\$ 0.65	\$ 0.69	\$ 0.94	\$ 1.14
Weighted average number of ordinary shares					
Basic	54,278	45,590	39,439	39,076	38,711
Diluted	54,969	45,607	39,456	39,138	38,774
Other non-GAAP measures					
EBITDA (2)	\$ 70,066	\$ 58,871	\$ 48,765	\$ 56,201	\$ 58,574
Adjusted EBITDA (2)	\$ 101,150	\$ 80,284	\$ 56,320	\$ 66,984	\$ 59,501

	Year ended March 31,				
	2015	2014	2013	2012	2011
	(in thousands)				
<b>Selected Statement of Financial Position Data:</b>					
Cash and cash equivalents	\$ 153,664	\$ 145,449	\$ 107,642	\$ 145,422	\$ 126,167
Goodwill	1,878	1,878	1,878	1,878	1,878
Total assets	1,149,533	906,011	798,657	765,966	669,841
Debt:					
Current portion	96,397	92,879	79,902	68,527	49,611
Long-term portion	218,273	165,254	165,898	180,768	149,310
Total liabilities	393,478	327,970	312,481	311,718	244,466
Equity attributable to Eros International Plc	697,334	527,691	438,578	416,165	389,633
Equity attributable to non-controlling interests	58,721	50,350	47,598	38,083	35,742
Total equity	\$ 756,055	\$ 578,041	\$ 486,176	\$ 454,248	\$ 425,375

- (1) References to “net income” in this document correspond to “profit for the period” or “profit for the year” line items in our consolidated financial statement appearing elsewhere in this document.
- (2) We use EBITDA and Adjusted EBITDA as supplemental financial measures. EBITDA is defined by us as net income before interest expense, income tax expense and depreciation and amortization (excluding amortization of capitalized film content and debt issuance costs). Adjusted EBITDA is defined as EBITDA adjusted for impairments of available-for-sale financial assets, profit/loss on held for trading liabilities (including profit/loss on derivatives), transactions costs relating to equity transactions, and share based payments. EBITDA, as used and defined by us, may not be comparable to similarly-titled measures employed by other companies and is not a measure of performance calculated in accordance with GAAP. EBITDA should not be considered in isolation or as a substitute for operating income, net income, cash flows from operating investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP. EBITDA and Adjusted EBITDA provide no information regarding a company’s capital structure, borrowings, interest costs, capital expenditures and working capital movement or tax position.

The following table sets forth the reconciliation of our net income to EBITDA and Adjusted EBITDA:

	Year ended March 31,				
	2015	2014	2013	2012	2011
	(in thousands)				
Net income	\$ 49,330	\$ 37,144	\$ 33,665	\$ 43,580	\$ 47,550
Income tax expense	13,178	12,843	11,913	10,059	8,237
Net finance costs	5,861	7,517	1,469	1,009	1,584
Depreciation	1,089	789	1,003	1,275	928
Amortization <sup>(a)</sup>	608	578	715	278	275
EBITDA	70,066	58,871	48,765	56,201	58,574
Impairment of available-for-sale financial assets	1,307	—	—	1,230	—
Transaction costs relating to equity transactions	61	8,169	—	—	—
Net loss/(gain) on held for trading financial liabilities	7,801	(5,177)	5,667	4,264	—
Share based payments	21,915	18,421	1,888	5,289	927
Adjusted EBITDA <sup>(b)</sup>	\$ 101,150	\$ 80,284	\$ 56,320	\$ 66,984	\$ 59,501

(a) Includes only amortization of intangible assets other than intangible content assets.

(b) Consists of compensation costs, recognized with respect to all outstanding plans and all other equity settled instruments.

Our management team believes that EBITDA and Adjusted EBITDA are useful to an investor in evaluating our results of operations because these measures:

- are widely used by investors to measure a company's operating performance without regard to items excluded from the calculation of such term, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired, among other factors;
- help investors to evaluate and compare the results of our operations from period to period by removing the effect of our capital structure from our operating structure; and
- are used by our management team for various other purposes in presentations to our Board of Directors as a basis for strategic planning and forecasting.

However, there are significant limitations to using EBITDA and Adjusted EBITDA as a measure of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss, the lack of comparability of results of operations of different companies and the different methods of calculating EBITDA and Adjusted EBITDA reported by different companies.

#### Exchange Rate Information

Our reporting currency is the U.S. dollar. Transactions in foreign currencies are translated at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into U.S. dollars at the exchange rates at the date of the applicable statement of financial position. For the purposes of consolidation, all income and expenses are translated at the average rate of exchange during the period covered by the applicable statement of income and assets and liabilities are translated at the exchange rate prevailing on the date of the applicable statement of financial position. When the U.S. dollar strengthens against a foreign currency, the value of our sales and expenses in that currency converted to U.S. dollars decreases. When the U.S. dollar weakens, the value of our sales and expenses in that currency converted to U.S. dollars increases. Recently, there have been periods of higher volatility in the Indian Rupee and U.S. dollar exchange rate. This volatility is illustrated in the table below for the periods indicated:

	Period End	Average <sup>(1)</sup>	High	Low
<b>Fiscal Year</b>				
2011	44.54	45.46	47.49	43.90
2012	50.89	48.01	53.71	44.00
2013	54.52	54.36	57.13	50.64
2014	60.35	60.35	68.80	53.65
2015	62.58	61.15	63.70	58.46
<b>Months</b>				
April 2014	60.34	60.36	61.09	59.88
May 2014	59.10	59.32	60.23	58.46
June 2014	60.15	59.74	60.40	59.09
July 2014	60.52	60.08	60.52	59.67
August 2014	60.68	60.87	61.45	60.46
September 2014	61.76	60.86	61.76	60.27
October 2014	61.40	61.39	61.83	61.02
November 2014	62.06	61.71	62.06	61.40
December 2014	63.12	62.78	63.70	61.86
January 2015	61.94	62.23	63.62	61.34
February 2015	61.81	62.04	62.34	61.71
March 2015	62.58	62.47	62.98	61.81
April 2015	63.52	62.72	63.59	62.23
May 2015	63.83	63.73	64.26	63.47

(1) Represents the average of the U.S. dollar to Indian Rupee exchange rates on the last day of each month during the period for all fiscal years presented, and the average of the noon buying rate for all days during the period for all months presented.

#### B. Capitalization and Indebtedness

Not Applicable.

#### C. Reason for the Offer and the Use of Proceeds

Not Applicable.

#### D. Risk Factors

*This annual report contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those described in the following risk factors and elsewhere in this annual report. If any of the following risks actually occur, our business, financial condition and results of operations could suffer and the trading price of our A ordinary shares could decline.*

##### **Risks Related to Our Business**

***We may fail to source adequate film content on favorable terms or at all through acquisitions or co-productions, which could have a material and adverse impact on our business.***

We generate revenues by exploiting Indian film content that we primarily co-produce or acquire from third parties, and then distribute through various channels. Our ability to successfully enter into co-productions and to acquire content depends on our ability to maintain existing relationships, and form new ones, with talent and other industry participants.

The pool of quality talent in India is limited and as a result, there is significant competition to secure the services of certain actors, directors, composers and producers, among others. Competition can increase the cost of such talent, and hence the cost of film content. These costs may continue to increase, making it more difficult for us to access content cost-effectively and reducing our ability to sustain our margins and maximize revenues from distribution and exploitation. Further, we may be unable to successfully maintain our long-standing relationships with certain industry participants and continue to have access to content and/or creative talent and may be unable to establish similar relationships with new leading creative talent. If any such relationships are adversely affected, or we are unable to form new relationships or our access to quality Indian film content otherwise deteriorates, or if any party fails to perform under its agreements or arrangements with us, our business, prospects, financial condition and results of operations could be materially adversely affected.

***Delays, cost overruns, cancellation or abandonment of the completion or release of films may have an adverse effect on our business.***

There are substantial financial risks relating to film production, completion and release. Actual film costs may exceed their budgets and factors such as labor disputes, unavailability of a star performer, equipment shortages, disputes with production teams or adverse weather conditions may cause cost overruns and delay or hamper film completion. When a film we have contracted to acquire from a third party experiences delays or fails to be completed, we may not recover advance monies paid for the proposed acquisition. When we enter into co-productions, we are typically responsible for paying all production costs in accordance with an agreed upon budget and while we typically cap budgets in our contracts with our co-producer, given the importance of ongoing relationships in our industry, longer-term commercial considerations may in certain circumstances override strict contractual rights and we may feel obliged to fund cost over-runs where there is no contractual obligation requiring us to do so. To date, we have completed one sole production, however it is expected that this will increase in the coming years.

Production delays, failure to complete projects or cost overruns could result in us not recovering our costs and could have a material adverse effect on our business, prospects, financial condition and results of operations.

***The popularity and commercial success of our films are subject to numerous factors, over which we may have limited or no control.***

The popularity and commercial success of our films depends on many factors including, but not limited to, the key talent involved, the timing of release, the promotion and marketing of the film, the quality and acceptance of other competing programs released into the marketplace at or near the same time, the availability of alternative forms of entertainment, general economic conditions, the genre and specific subject matter of the film, its critical acclaim and the breadth, timing and format of its initial release. We cannot predict the impact of such factors on any film, and many are factors that are beyond our control. As a result of these factors and many others, our films may not be as successful as we anticipate, and as a result, our results of operations may suffer.

***We depend on our relationships with theater operators and other industry participants to exploit our film content. Any disputes with multiplex operators in India could have a material adverse effect on our ability or willingness to release our films as scheduled.***

We generate revenues from the exploitation of Indian film content in various distribution channels through agreements with commercial theater operators, in particular multiplex operators, and with retailers, television operators, telecommunications companies and others. Our failure to maintain these relationships, or to establish and capitalize on new relationships, could harm our business or prevent our business from growing, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

We have had disputes with multiplex operators in India that required us to delay our film releases and disrupted our marketing schedule for future films. These disputes were subsequently settled pursuant to settlement agreements that expired in June 2011. We now enter into agreements on a film-by-film and exhibitor-by-exhibitor basis instead of entering into long-term agreements. To date, our film-by-film agreements have been on commercial terms that are no less favorable than the terms of the prior settlement agreements; however, we cannot guarantee such terms can always be obtained. Accordingly, without a long-term commitment from multiplex operators, we may be at risk of losing a substantial portion of our revenues derived from our theatrical business. We may also have similar future disruptions in our relationship with multiplex operators, the operators of single-screen theaters or other industry participants, which could have a material adverse effect on our business, prospects, financial condition and results of operations. Further, the theater industry in India is rapidly growing and evolving and we cannot assure you that we will be able to establish relationships with new commercial theater operators.

***The success of our business depends on our ability to consistently create and distribute filmed entertainment that meets the changing preferences of the broad consumer market both within India and internationally.***

Changing consumer tastes affect our ability to predict which films will be popular with audiences in India and internationally. As we invest in a portfolio of films across a wide variety of genres, stars and directors, it is highly likely that at least some of the films in which we invest will not appeal to Indian or international audiences. Further, where we sell rights prior to release of a film, any failure to accurately predict the likely commercial success of a film may cause us to underestimate the value of such rights. If we are unable to co-produce and acquire rights to films that appeal to Indian and international film audiences or to accurately judge audience acceptance of our film content, the costs of such films could exceed revenues generated and anticipated profits may not be realized. Our failure to realize anticipated profits could have a material adverse effect on our business, prospects, financial condition and results of operations.

***The popularity and commercial success of our films are subject to numerous factors, over which we may have limited or no control.***

The popularity and commercial success of our films depends on many factors including, but not limited to, the key talent involved, the timing of release, the promotion and marketing of the film, the quality and acceptance of other competing programs released into the marketplace at or near the same time, the availability of alternative forms of entertainment, general economic conditions, the genre and specific subject matter of the film, its critical acclaim and the breadth, timing and format of its initial release. We cannot predict the impact of such factors on any film, and many are factors that are beyond our control. As a result of these factors and many others, our films may not be as successful as we anticipate, and as a result, our results of operations may suffer.

***Our ability to exploit our content is limited to the rights that we acquire from third parties or otherwise own.***

We have acquired over 90% of our film content through contracts with third parties, which are primarily fixed-term contracts that may be subject to expiration or early termination. Upon expiration or termination of these arrangements, content may be unavailable to us on acceptable terms or at all, including with respect to technical matters such as encryption, territorial limitation and copy protection. In addition, if any of our competitors offer better terms, we will be required to spend more money or grant better terms, or both, to acquire or extend the rights we previously held. If we are unable to renew the rights to our film library on commercially favorable terms and to continue exploiting the existing films in our library or other content, it could have a material adverse effect on our business, prospects, financial condition and results of operations.

Based on our agreements in effect as of March 31, 2015, if we do not otherwise extend or renew our existing rights, we anticipate the rights we currently license in Hindi and regional languages, excluding our Kannada digital rights library for which we have perpetual rights subject to applicable copyright law, will expire as summarized in the table below.

Term Expiration Dates	Hindi Film Rights	Regional Film Rights <sup>(1)</sup>
	(approximate percentage of films whose licensed rights expire in the period indicated)	
Prior to March 31, 2020	25%	4%
2021-2025	50	28
2026-2030	9	—
2031-2045	3	3
Perpetual <sup>(2)</sup>	13	65

(1) Excludes the Kannada digital rights library.

(2) Subject to limitations imposed by Indian copyright law, which restricts the term to 60 years from the beginning of the calendar year following the year in which the film is released.



In addition, we typically only own certain rights for the exploitation of content, which limits our ability to exploit content in certain media formats. In particular, we do not own the audio music rights to the majority of the films in our library and to certain new releases. See “Part I—Item 4. Information on the Company—Our Film Library” for detail regarding our rights. To the extent we do not own the music or other media rights in respect of a particular film, we may only exploit content through those channels to which we do own rights, which could have an adverse effect on our ability to generate revenue from a film and recover our costs from acquiring or producing content.

***We depend on the Indian box office success of our Hindi and high budget Tamil and Telugu films from which we derive a significant portion of our revenues.***

In India, a relatively high percentage of a film’s overall revenues are derived from theater box office sales and, in particular, from such sales in the first week of a film’s release. Indian domestic box office receipts are also an indicator of a film’s expected success in other Indian and international distribution channels. As such, poor box office receipts in India for our films, even for those films for which we obtain only international distribution rights, could have a significant adverse impact on our results of operations in both the year of release of the relevant films and in the future for revenues expected to be earned through other distribution channels. In particular, we depend on the Indian box office success of our Hindi films and high budget Tamil and Telugu films.

***We may not be paid the full amount of box office revenues to which we are entitled.***

We derive revenues from theatrical exhibition of our films by collecting a specified percentage of box office receipts from multiplex and single screen theater operators. The Indian film industry continues to lack full exhibitor transparency. There is limited independent monitoring of such data in India or the Middle East, unlike the monitoring services provided by Rentrak in the United Kingdom and the United States. We therefore rely on theater operators and our sub-distributors to report relevant information to us in an accurate and timely manner.

While some multiplex and single-screen operators have moved to a digital distribution model that provides greater clarity on the number of screenings given to our films, other multiplex operators and single-screen operators retain the traditional print model. We expect that our films will continue to be exhibited primarily on screens that either do not have computerized tracking systems for box office receipts or screening information, or in relation to which we do not have access to audit compliance data.

Because we do not have a reliable system to determine if our box office receipts are underreported, box office receipts and sub-distribution revenues may be inadvertently or purposefully misreported or delayed, which could prevent us from being compensated appropriately for exhibition of our films. If we are not properly compensated, our business, prospects, financial condition and results of operations could be negatively impacted.

***We incur significant costs to protect electronically stored data and if our data is compromised despite this protection, we may incur additional costs, business interruption, lost opportunities and damage to our reputation.***

We collect and maintain information and data necessary for conducting our business operations, which information includes proprietary and confidential data and personal information of our customers and employees. Such information is often maintained electronically, which includes risks of intrusion, tampering, manipulation and misappropriation. We implement and maintain systems to protect our digital data, but obtaining and maintaining these systems is costly and usually requires continuous monitoring and updating for technological advances and change. Additionally, we sometimes provide confidential, proprietary and personal information to third parties when required in connection with certain business and commercial transactions. For instance, we have entered into an agreement with a third party vendor to assist in processing employee payroll, and they receive and maintain confidential personal information regarding our employees. We take precautions to try to ensure that such third parties will protect this information, but there remains a risk that the confidentiality of any data held by third parties may be compromised. If our data systems, or those of our third party vendors and partners, are compromised, there may be negative effects on our business including a loss of business opportunities or disclosure of trade secrets. If the personal information we maintain is tampered with or misappropriated, our reputation and relationships with our partners and customers may be adversely affected, and we may incur significant costs to remediate the problem and prevent future occurrences.

***A downturn in the Indian and international economies or instability in financial markets, including a decreased growth rate and increased Indian price inflation, could materially and adversely affect our results of operations and financial condition.***

Global economic conditions may negatively impact consumer spending. Prolonged negative trends in the global or local economies can adversely affect consumer spending and demand for our films and may shift consumer demand away from the entertainment we offer. According to the International Monetary Fund's "Asia: Stabilising and Outperforming other Regions," published on May 6, 2015, the GDP growth rate of India is projected to pick up from 7.2% in 2014-2015 to 7.5% in 2015-2016 and 2016-2017. The Central Statistics Office has estimated that the growth rate in GDP in the 12 month period ended March 31, 2015 was 7.3% over the corresponding period of the previous year (Source: Press release dated May 29, 2015 on "Provisional Estimates of Annual National Income, 2014-15 and Quarterly Estimates of Gross Domestic Product, 2014-15" released by the Ministry of Statistics and Programme Implementation, Government of India).

A decline in attendance at theaters may reduce the revenues we generate from this channel, from which a significant proportion of our revenues are derived. If the general economic downturn continues to affect the countries in which we distribute our films, discretionary consumer spending may be adversely affected, which would have an adverse impact on demand for our theater, television and digital distribution channels. Economic instability and the continuing weak economy in India may negatively impact the Indian box office success of our Hindi and Tamil films, on which we depend for a significant portion of our revenues.

Further, a sustained decline in economic conditions could result in closure or downsizing by, or otherwise adversely impact, industry participants on whom we rely for content sourcing and distribution. Any decline in demand for our content could have a material adverse effect on our business, prospects, financial condition and results of operations. In addition, global financial uncertainty has negatively affected the Indian financial markets.

Continued financial disruptions may limit our ability to obtain financing for our films. For example, any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. Any such event could have a material adverse effect on our business, prospects, financial condition and results of operations. India has recently experienced fluctuating wholesale price inflation compared to historical levels. An increase in inflation in India could cause a rise in the price of wages, particularly for Indian film talent, or any other expenses that we incur. If this trend continues, we may be unable to accurately estimate or control our costs of production. Because it is unlikely we would be able to pass all of our increased costs on to our customers, this could have a material adverse effect on our business, prospects, financial condition and results of operations.

***Fluctuation in the value of the Indian Rupee against foreign currencies could materially and adversely affect our results of operations, financial condition and ability to service our debt.***

While a significant portion of our revenues are denominated in Indian Rupees, certain contracts for our film content are or may be denominated in foreign currencies. Additionally, we report our financial results in U.S. dollars and most of our debt is denominated in U.S. dollars. We expect that the continued volatility in the value of the Indian Rupee against foreign currency will continue to have an impact on our business. The Indian Rupee experienced an approximately 10.7% drop in value as compared to the U.S. dollar in fiscal 2014. In fiscal 2015 the drop was 3.7%. In November 2014, the Indian Rupee had dropped as much as 5.6% relative to the U.S. dollar from the beginning of fiscal 2015. Since the end of fiscal 2015 to the end of May 2015 the Indian Rupee has experienced a 2.0% decline. Changes in the growth of the Indian economy and the continued volatility of the Indian Rupee, may adversely affect our business.

Further, at the end of fiscal 2015, \$173.2 million, or 55.0% of our debt, was denominated in U.S. dollars, and we may not generate sufficient revenue in U.S. dollars to service all of our U.S. dollar-denominated debt. Consequently, we may be required to use revenues generated in Indian Rupees to service our U.S. dollar-denominated debt. Any devaluation or depreciation in the value of the Indian Rupee, compared to the U.S. dollar, could adversely affect our ability to service our debt. See "Item 3. Key Information — C. Selected Financial Data — Exchange Rates" for historical exchange rates between Indian Rupees and U.S. dollars.

Although we have not historically done so, we may, from time to time, seek to reduce the effect of exchange rate fluctuations on our operating results by purchasing derivative instruments such as foreign exchange forward contracts to cover our intercompany indebtedness or outstanding receivables. However, we may not be able to purchase contracts to insulate ourselves adequately from foreign currency exchange risks. In addition, any such contracts may not perform effectively as a hedging mechanism. See “Item 5. Operating and Financial Review and Prospects — Exchange Rates” and “Item 11. Quantitative and Qualitative Disclosures about Market Risk — Foreign Currency Risk.”

***We face increasing competition with other films for movie screens, and our inability to obtain sufficient distribution of our films could have a material adverse effect on our business.***

A substantial majority of the theater screens in India are typically committed at any one time to a limited number of films, and we compete directly against other producers and distributors of Indian films in each of our distribution channels. If the number of films released in the market as a whole increases it could create excess supply in the market, in particular at peak theater release times such as school and national holidays and during festivals, which would make it more difficult for our films to succeed.

Where we are unable to ensure a wide release for our films, or where we are unable to provide theater operators with sufficient prints of our films to allow them to maximize screenings in the first week of a film’s release, it may have an adverse impact on our revenues. Further, failure to release during peak periods, or the inability to book sufficient screens, could cause us to miss potentially higher gross box-office receipts and/or affect subsequent revenue streams, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

***We face increasing competition from other forms of entertainment, which could have a material adverse effect on our business.***

We also compete with all other sources of entertainment and information delivery, including television, the internet and sporting events such as the Indian Premier League, for cricket.

Technological advancements such as VOD, mobile and internet streaming and downloading have increased the number of entertainment and information delivery choices available to consumers and have intensified the challenges posed by audience fragmentation. The increasing number of choices available to audiences could negatively impact consumer demand for our films, and there can be no assurance that occupancy rates at theaters or demand for our other distribution channels will not fall.

***Competition within the Indian film industry is growing rapidly, and certain of our competitors are larger, have greater financial resources and are more diversified.***

The Indian film industry’s rapid growth is changing the competitive landscape, increasing competition for content, talent and release dates. Growth in the Indian film industry has attracted foreign industry participants and competitors, such as Sony Pictures, Viacom Inc., The Walt Disney Company and 21st Century Fox, many of which are substantially larger and have greater financial resources, including competitors that own their own theaters and/or television networks. These larger competitors may have the ability to spend additional funds on production of new films, which may require us to increase our production budgets beyond what we originally anticipated in order to compete effectively. In addition, these competitors may use their financial resources to gain increased access to movie screens and enter into exclusive content arrangements with key talent in the Indian film industry. Unlike some of these major competitors that are part of larger diversified corporate groups, we derive substantially all of our revenue from our film entertainment business. If our films fail to perform to our expectations we are likely to face a greater adverse impact than would a more diversified competitor. In addition, other larger entertainment distribution companies may have larger budgets to exploit growing technological trends. If we are unable to compete with these companies effectively, our business prospects, results of operations and financial condition could suffer. With generally increasing budgets of Hindi, Tamil and Telugu films, we may not have the resources to distribute the same level of films as competitors with greater financial strength.

***Piracy of our content, including digital and internet piracy, may adversely impact our revenues and business.***

Our business depends in part on the adequacy, enforceability and maintenance of intellectual property rights in the entertainment products and services we create. Motion picture piracy is extensive in many parts of the world and is made easier by technological advances and the conversion of motion pictures into digital formats. This trend facilitates the creation, transmission and sharing of high quality unauthorized copies of motion pictures in theatrical release on DVDs, CDs and Blu-ray discs, from pay-per-view through set top boxes and other devices and through unlicensed broadcasts on free television and the internet.

Although DVD and CD sales represent a relatively small portion of Indian film and music industry revenues, the proliferation of unauthorized copies of these products results in lost revenue and significantly reduced pricing power, which could have a material adverse effect on our business, prospects, financial condition and results of operations. In particular, unauthorized copying and piracy are prevalent in countries outside of the United States, Canada and Western Europe, including India, whose legal systems may make it difficult for us to enforce our intellectual property rights and in which consumer awareness of the individual and industry consequences of piracy is lower. With broadband connectivity improving, 3G internet penetration increasing and the advent of 4G in India, digital piracy of our content is an increasing risk.

In addition, the prevalence of third-party hosting sites and a large number of links to potentially pirated content make it difficult to effectively monitor and prevent digital piracy of our content. Existing copyright and trademark laws in India afford only limited practical protection and the lack of internet-specific legislation relating to trademark and copyright protection creates a further challenge for us to protect our content delivered through such media. According to FICCI Report 2013, it is estimated that the Indian film industry loses as much as \$1.1 billion annually due to piracy. Additionally, we may seek to implement elaborate and costly security and anti-piracy measures, which could result in significant expenses and revenue losses. Even the highest levels of security and anti-piracy measures may fail to prevent piracy.

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

We rely on a combination of copyrights, trademarks, service marks and similar intellectual property rights to protect our name and branded products. The success of our business, in part, depends on our continued ability to use this intellectual property in order to increase awareness of the Eros name. We attempt to protect these intellectual property rights through available copyright and trademark laws. Despite these precautions, existing copyright and trademark laws afford only limited practical protection in certain countries, and the actions taken by us may be inadequate to prevent imitation by others of the Eros name and other Eros intellectual property. In addition, if the applicable laws in these countries are drafted or interpreted in ways that limit the extent or duration of our rights, or if existing laws are changed, our ability to generate revenue from our intellectual property may decrease, or the cost of obtaining and maintaining rights may increase.

Further, many existing laws governing property ownership, copyright and other intellectual property issues were adopted before the advent of the internet and do not address the unique issues associated with the internet, personal entertainment devices and related technologies, and new interpretations of these laws in response to emerging digital platforms may increase our digital distribution costs, require us to change business practices relating to digital distribution or otherwise harm our business. We also distribute our branded products in some countries in which there is no copyright or trademark protection. As a result, it may be possible for unauthorized third parties to copy and distribute our branded products or certain portions or applications of our branded products, which could have a material adverse effect on our business, prospects, results of operations and financial condition. If we fail to register the appropriate copyrights, trademarks or our other efforts to protect relevant intellectual property prove to be inadequate, the value of the Eros name could be harmed, which could adversely affect our business and results of operations.

***We may be unable to continue to use the domain names that we use in our business, or prevent third parties from acquiring and using domain names that infringe on, are similar to or otherwise decrease the value of our brand or our trademarks or service marks.***

We have registered several domain names for websites that we use in our business, such as *erosplc.com* and *erosentertainment.com*, and although our Indian subsidiaries currently own over 55 registered trademarks, we have not obtained a registered trademark for any of our domain names. If we lose the ability to use a domain name, whether due to trademark claims, failure to renew the applicable registration or any other cause, we may be forced to market our products under a new domain name, which could cause us to lose users of our websites, or to incur significant expense in order to purchase rights to such a domain name. In addition, our competitors and others could attempt to capitalize on our brand recognition by using domain names similar to ours. Domain names similar to ours have been registered in the United States, India and elsewhere.

We may be unable to prevent third parties from acquiring and using domain names that infringe on, are similar to or otherwise decrease the value of our brand, trademarks or service marks. Protecting and enforcing our rights in our domain names may require litigation, which could result in substantial costs and diversion of management's attention.

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

Other parties, including our competitors, may hold or obtain patents, trademarks, copyright protection or other proprietary rights with respect to their previously developed films, characters, stories, themes and concepts or other entertainment, technology and software or other intellectual property of which we are unaware. In addition, the creative talent that we hire or use in our productions may not own all or any of the intellectual property that they represent they do, which may instead be held by third parties. Consequently, the film content that we produce and distribute or the software and technology we use may infringe the intellectual property rights of third parties, and we frequently have infringement claims asserted against us. Any claims or litigation, justified or not, could be time-consuming and costly, harm our reputation, require us to enter into royalty or licensing arrangements that may not be available on acceptable terms or at all or require us to undertake creative changes to our film content or source alternative content, software or technology. Where it is not possible to do so, claims may prevent us from producing and/or distributing certain film content and/or using certain technology or software in our operations. Any of the foregoing could have a material adverse effect on our business, prospects, financial condition and results of operations.

***Our ability to remain competitive may be adversely affected by rapid technological changes and by an inability to access such technology.***

The Indian film entertainment industry continues to undergo significant technological developments, including the ongoing transition from film to digital media. We may be unsuccessful in adopting new digital distribution methods or may lose market share to our competitors if the methods that we adopt are not as technologically sound, user-friendly, widely accessible or appealing to consumers as those adopted by our competitors. For example, our on-demand entertainment portal accessible via internet-enabled devices, Eros Now, may not achieve the desired growth rate.

Further, advances in technologies or alternative methods of product delivery or storage, or changes in consumer behavior driven by these or other technologies, could have a negative effect on our home entertainment market in India. If we fail to successfully exploit digital and other emerging technologies, it could have a material adverse effect on our business, prospects, financial condition and results of operations.

***We are currently migrating to an SAP ERP system, which could substantially disrupt our business, and our failure to successfully integrate our IT systems across our international operations could result in substantial costs and diversion of resources and management attention.***

We are currently in the process of migrating to an SAP ERP system to replace several of our existing IT systems. We have completed this accounting migration in India, but the process is ongoing in the rest of the world and the implementation has been delayed.

Also we have not yet integrated supporting modules into the SAP ERP system, such as a module to manage our film library. This integration and migration may lead to unforeseen complications and expenses, and our failure to efficiently integrate and migrate our IT systems could substantially disrupt our business. We will implement further modules within SAP ERP once the initial worldwide integration has been completed. The SAP ERP system will be implemented globally in our different office locations and will need to accommodate our multilingual operations, resulting in further difficulties in such implementation. Our failure to successfully integrate our IT systems across our international operations could result in substantial costs and diversion of resources and management attention, which could harm our business and competitive position.

***The music industry is highly competitive and many of our competitors in the music industry focus more exclusively on music distribution and have greater resources than we have.***

The music industry, including the market for music licensing and related services in the film and broadcast industry, is intensely competitive. Many companies focus exclusively on music distribution and have greater resources and a larger depth and breadth of library, distribution capabilities and current repertoire than we do. We expect competition to persist and to intensify as the markets for Indian music continue to develop and as additional competitors enter the Indian music industry. To remain competitive, we may be forced to reduce our prices and increase costs which may have a negative impact on our financial condition and results of operations.

***Our business and activities are regulated by the Competition Act.***

The Competition Act, 2002, or the Competition Act, prohibits practices that could have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial penalties and compensation to be paid to persons shown to have suffered losses. Any agreement among competitors which directly or indirectly determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition. Further, the Competition Act prohibits the abuse of a dominant position by any enterprise either directly or indirectly, including by way of unfair or discriminatory pricing or conditions in the sale of goods or services, using a dominant position in one relevant market to enter into, or protect, another relevant market, and denial of market access, and such practices are subject to substantial penalties and may also be subject to compensation for losses and orders to divide the enterprise.

If we or any member of our group, including Eros International Media Limited (“Eros India”), are further affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by, or claims made to the Competition Commission of India or any other similar authority, our business, results of operations and reputation may be materially and adversely affected.

Acquisitions, mergers and amalgamations which exceed certain revenue and asset thresholds require prior approval by the Competition Commission of India. Any such acquisitions, mergers or amalgamations which have an appreciable adverse effect on competition in India are prohibited and void. There can be no assurance that we will be able to obtain approval for such future transactions on satisfactory terms, or at all.

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

Our financial condition and results of operations for any period fluctuate due to film release schedules in that period, none of which we can predict with reasonable certainty. Theater attendance in India has traditionally been highest during school holidays, national holidays and during festivals, and we typically aim to release big-budget films at these times. This timing of releases also takes account of competitor film releases, Indian Premier League cricket matches and the timing dictated by the film production process. As a result, our quarterly results can vary from one year to the next, and the results of one quarter are not necessarily indicative of results for the next or any future quarter. Additionally, the distribution window for the theatrical release of films, and the window between the theatrical release and distribution in other channels, have each been compressing in recent years and may continue to change. Further shortening of these periods could adversely impact our revenues if consumers opt to view a film on one distribution platform over another, resulting in the cannibalizing of revenues across distribution platforms. Additionally, because our revenue and operating results are seasonal in nature due to the impact of the timing of new releases, our revenue and operating results may fluctuate from period to period, and which could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

***Our accounting practices and management judgments may accentuate fluctuations in our annual and quarterly operating results and may not be comparable to other film entertainment companies.***

For first release film content, we use a stepped method of amortization and a first 12 months amortization rate based on management’s judgment taking into account historic and expected performance, typically amortizing 50% of the capitalized cost together with print and advertising costs for high budget films released during or after fiscal 2015, and 40% of the capitalized cost together with print and advertising costs for all other films, in the first 12 months of their initial commercial exploitation, and then the balance evenly over the lesser of the term of the rights held by us and nine years. Management determined to adjust the first-year amortization rate for high budget films because of the high contribution of theatrical revenue. Similar management judgment taking into account historic and expected performance is used to apply a stepped method of amortization on a quarterly basis within the first 12 months, within the overall parameters of the annual amortization.

Typically 25% of capitalized cost together with print and advertising costs for high budget films released during or after fiscal 2015, and 20% of capitalized cost together with print and advertising costs for all other films, is amortized in the initial quarter of their commercial exploitation. In fiscal 2009 and fiscal years prior to 2009, the balance of capitalized film content costs were amortized evenly over a maximum of four years rather than nine. Because management exercises its judgment regarding amortization amounts, our amortization practices may not be comparable to other film entertainment companies. In the case of film content that we acquire after its initial exploitation, commonly referred to as library, amortization is spread evenly over the lesser of ten years after our acquisition or our license period. At least annually, we review film and content rights for indications of impairment in accordance with IAS 36: Impairment of Assets, an International Accounting Standard, or IAS.

***The pattern and amount by which we report amortization of our film content may be significantly impacted by a new amendment to accounting standards for revenue-based amortization methods.***

In May 2014, the IASB published an amendment to IAS 38 *Intangible Assets* (“IAS 38”), which establishes the principle for the basis of amortization of intangible assets as being the expected pattern of consumption of the future economic benefits of an asset. The IASB clarified that the use of revenue-based methods to calculate the amortization of an asset is not generally considered appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset, but the presumption can be rebutted in certain limited circumstances. The amendment to IAS 38 will be effective for our fiscal 2017.

Because the amendment to IAS 38 has not yet been implemented widely, we cannot predict how it will impact our amortization policy for our films and the timing and amounts in which we will recognize our amortization expense under the new standard. The amendment to IAS 38 affects all IFRS reporting companies that currently amortize their intangible assets based on expectations for revenue over the income generating life of the asset, and we are not aware of any such media companies that have yet determined the impact of the amendment on their results of operations. The amendment to IAS 38 may also require us to gather additional information from third party sources, which we do not presently do, to implement an appropriate policy and monitor amortization. When the amendment becomes effective, it may have a significant impact on our consolidated financial statements and results of operations.



***The amount of revenue which we report may be impacted by a new accounting standard dealing with revenue from customers.***

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers (“IFRS 15”). This standard provides a single, principle-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various other related matters. IFRS 15 also introduced new disclosure requirements with respect to revenue. The five steps in the model under IFRS 15 are:

- (i) identify the contract with the customer;
- (ii) identify the performance obligations in the contract;
- (iii) determine the transaction price;
- (iv) allocate the transaction price to the performance obligations in the contracts; and
- (v) recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 is effective for fiscal years beginning on or after January 1, 2017.

Because the amendment to IFRS 15 has only recently been published and not yet implemented widely, we cannot yet predict how it will impact our revenues under the new standard. The amendment to IFRS 15 affects all IFRS reporting companies. When the amendment becomes effective, it may have an impact on our consolidated financial statements and results of operations.

***If we fail to achieve or maintain an effective system of internal control over financial reporting, our ability to accurately and timely report our financial results or prevent fraud may be adversely affected.***

When we cease to qualify as an “emerging growth company” under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, we will become subject to additional requirements under the Sarbanes-Oxley Act (“SOX Act”), including Section 404(b) of the SOX Act which will require our independent registered public accounting firm attest to and report on management’s assessment of the effectiveness of our internal control over financial reporting. However, because we qualify as an “emerging growth company” under the JOBS Act, these attestation requirements do not apply to us for up to five years after November 18, 2013, the date of our initial public offering in the U.S., unless we cease to qualify as an “emerging growth company.” Our management began providing a report on the effectiveness of our internal control over financial reporting with this Annual Report on Form 20-F. Our management may conclude in future years, that our internal controls are not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may disagree and may decline to attest to our management’s assessment or may issue an adverse opinion. If we identify additional control deficiencies as a result of the assessment process in the future, we may be unable to conclude that we have effective internal controls over financial reporting, which are necessary for us to produce reliable financial reports and are important to help prevent fraud. As a result, our failure to achieve and maintain effective internal controls over financial reporting could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm our business and negatively impact the market price of our A ordinary shares. In preparing the consolidated financial statements for our fiscal 2014 Annual Report, a significant deficiency in our internal control over financial control was identified regarding the accuracy of checks received pending deposit with banks. We have since remedied such significant deficiency.

***Our revenue is subject to significant variation based on the timing of certain licenses and contracts we enter into that may account for a large portion of our revenue in the period in which it is completed, which could adversely affect our operating results.***

From time to time, we license film content rights to a group of films pursuant to a single license that constitutes a large portion of our revenue for the fiscal year in which the revenue from the license is recognized. The timing and size of similar licenses subjects our revenue to uncertainties and variability from period to period, which could adversely affect our operating results. We expect that we will continue to enter into licenses with customers that may represent a significant concentration of our revenues for the applicable period and we cannot guarantee that these revenues will recur.

***We intend to premier some of our high budget Hindi films on Eros Now, which may reduce the revenue we receive from television pre-sales on those films, which may reduce the amount of our production cost we recoup prior to a film’s release.***

Television pre-sales in India are an important factor in enhancing revenue predictability for our business and are part of our diversification strategy to mitigate risks of cash flow generation. In fiscal 2014, we recouped 43% to 73% of our production cost of high budget Hindi films and over 100% of our production cost of high budget Tamil and Telugu films through pre-sales contractual commitments. In 2015, we recouped 100% of our direct production cost of the one Telugu film released through contractual commitments prior to the film’s release, and we recouped 91% and 95% of our direct production cost of each of the two Tamil films released through contractual commitments prior to the films’ releases. In the case of one Hindi film we recouped 63% of the direct production cost through pre-sales. In the case of the remaining two Hindi high budget films released in the third and fourth quarter of fiscal 2015, we did not pre-sell our television rights in order to be able to premiere the films on Eros Now in July 2015 to coincide with the marketing launch of Eros Now prior to the television window. We currently expect to resume television pre-sales of our high budget Hindi films like in past years, even though some of these films will continue to premiere on Eros Now prior to airing on television.

Because we intend to premier some of our high-budget Hindi films on Eros Now, we may receive less revenue from our television pre-sales of those films, which could reduce the amount of the production costs we can recoup prior to a film’s release.

***We have entered into certain related party transactions and may continue to rely on our founders for certain key development and support activities.***

We have entered, and may continue to enter, into transactions with related parties. We also rely on the Founders Group, which consists of Beech Investments, Arjan Lulla, Kishore Lulla and Vijay Ahuja and associates and enterprises controlled by certain of our directors and key management personnel for certain key development and support activities. While we believe that the Founders Group’s interests are aligned with our own, such transactions may not have been entered into on an arm’s-length basis, and we may have achieved more favorable terms had such transactions been entered into with unrelated parties. If future transactions with related parties are not entered into on an arm’s-length basis, our business may be materially harmed.

Further, because certain members of the Founders Group are controlling shareholders of, or have significant influence on, both us and our related parties, conflicts of interest may arise in relation to dealings between us and our related parties and may not be resolved in our favor. For further information, see “Part I — Item 7. Major Shareholders and Related Party Transactions.”

***We may encounter operational and other problems relating to the operations of our subsidiaries, including as a result of restrictions in our current shareholder agreements.***

We operate several of our businesses through subsidiaries. Our financial condition and results of operations significantly depend on the performance of our subsidiaries and the income we receive from them. Our business may be adversely affected if our ability to exercise effective control over our non-wholly owned subsidiaries is diminished in any way. Although we control these subsidiaries through direct or indirect ownership of a majority equity interest or the ability to appoint the majority of the directors on the boards of such companies, unanimous board approval is required for major decisions relating to certain of these subsidiaries. To the extent there are disagreements between us and our various minority shareholders regarding the business and operations of our non-wholly owned subsidiaries, we may be unable to resolve them in a manner that will be satisfactory to us. Our minority shareholders may:

- be unable or unwilling to fulfill their obligations, whether of a financial nature or otherwise;
- have economic or business interests or goals that are inconsistent with ours;
- take actions contrary to our instructions, policies or objectives;
- take actions that are not acceptable to regulatory authorities;
- have financial difficulties; or
- have disputes with us.

Any of these actions could have a material adverse effect on our business, prospects, financial condition and results of operations.

Additionally, we have entered into shareholder agreements with third party shareholders of two of our non-wholly-owned subsidiaries, Big Screen Entertainment, and Ayngaran International Limited (“Ayngaran”), and have signed a term sheet to enter into a shareholder’s agreement with Colour Yellow Productions, and may enter into similar agreements. These agreements contain various restrictions on our rights in relation to these entities, including restrictions in relation to the transfer of shares, rights of first refusal, reserved board matters and non-solicitation of employees by us. We may also face operational limitations due to restrictive covenants in such shareholder agreements. In addition, under the terms of our shareholder agreement in relation to Big Screen Entertainment, disputes between partners are required to be submitted to arbitration in Mumbai, India. These restrictions in our current shareholder agreements, and any restrictions of a similar or more onerous nature in any new or amended agreements into which we may enter, may limit our control of the relevant subsidiary or our ability to achieve our business objectives, as well as limiting our ability to realize value from our equity interests, any of which could have a material adverse effect on our business, prospects, financial condition and results of operations.

Some of the parties to the shareholder agreements and with whom we have signed term sheets are companies that have duties to their own shareholders, and the interests of these shareholders with respect to the operation of Big Screen Entertainment, Colour Yellow Productions and Ayngaran may not be aligned with your interests. As a result, although we own a majority of the ownership interest in each of Big Screen Entertainment, Ayngaran and 50% of the shareholding of Colour Yellow Productions, taking actions that require approval of the minority shareholders (or their representative directors), such as entering into related party transactions, selling material assets and entering into material contracts, may be more difficult to accomplish.

***We depend on the services of senior management.***

We have, over time, built a strong team of experienced professionals on whom we depend to oversee the operations and growth of our businesses. We believe that our success substantially depends on the experience and expertise of, and the longstanding relationships with key talent and other industry participants built by, our senior management. Any loss of our senior management, any conflict of interest that may arise for such management or the inability to recruit further senior managers could impede our growth by impairing our day-to-day operations and hindering development of our business and our ability to develop, maintain and expand relationships, which would have a material adverse effect on our business, prospects, financial condition and results of operations.

In recent years, we have experienced additions to our senior management team, and our success depends in part on our ability to successfully integrate these new employees into our organization. Since 2012, we have hired several members of senior management and have added new directors. In May 2015 we announced the departure of Andrew Heffernan, who was our Group Chief Financial Officer since 2006, from the Company and the joining of Prem Parameswaran as Group Chief Financial Officer and President North America operations. We anticipate the need to hire additional members in senior management in connection with the expansion of our digital business. While some members of our senior management have entered into employment agreements that contain non-competition and non-solicitation provisions, these agreements may not be enforceable in the Isle of Man, India or the United Kingdom, whose laws govern these agreements or where our members of senior management reside. Even if enforceable, these non-competition and non-solicitation provisions are for limited time periods.



***Some viewers or civil society organizations may find our film content objectionable.***

Some viewers or civil society organizations in India or other countries may object to film content produced or distributed by us based on religious, political, ideological or any other positions held by such viewers. This applies in particular, to content that is graphic in nature, including violent or romantic scenes and films that are politically oriented or targeted at a segment of the film audience. Viewers or civil society organizations, including interest groups, political parties, religious or other organizations may assert legal claims, seek to ban the exhibition of our films, protest against us or our films or object in a variety of other ways. For instance, in relation to the film *Goliyon Ki Rasleela - Ram-Leela*, certain civil and criminal proceedings had been initiated in various local courts in India in and around 2013, including arrest warrants against Mr. Kishore Lulla and others involved in the making of this film, alleging that this film disrespected religious sensibilities. Any of the foregoing could harm our reputation and could have a material adverse effect on our business, prospects, financial condition and results of operations. The film content that we produce and distribute could result in claims being asserted, prosecuted or threatened against us based on a variety of grounds, including defamation, offending religious sentiments, invasion of privacy, negligence, obscenity or facilitating illegal activities, any of which could have a material adverse effect on our business, prospects, financial condition or results of operations.

***Our films are required to be certified in India by the Central Board of Film Certification.***

Pursuant to the Indian Cinematograph Act, 1952, or the Cinematograph Act, films must be certified for adult viewing or general viewing in India by the Central Board of Film Certification, or CBFC, which looks at factors such as the interest of sovereignty, integrity and security of the relevant country, friendly relations with foreign states, public order and morality. There may be similar requirements in the United Kingdom, Canada and Australia, among other jurisdictions. We may be unable to obtain the desired certification for each of our films and we may have to modify the title, content, characters, storylines, themes or concepts of a given film in order to obtain any certification or a desired certification for broadcast release that will facilitate distribution and exploitation of the film. Any modification or receipt of an undesirable certification could reduce the appeal of any affected film to our target audience and reduce our revenues from that film, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

***Litigation and negative claims about us or the Indian film entertainment industry generally could have a material adverse impact on our reputation, our relationship with distributors and co-producers and our business operations.***

We and certain of our directors and officers are subject to various legal proceedings in India. We are also subject to certain tax proceedings in India, including service tax claims aggregating to approximately \$31 million and value added tax claims aggregating to approximately \$3.0 million. In addition, there have been certain public allegations made against the Indian film entertainment industry generally, as well as against certain of the entities and individuals currently active in the industry about purported links to organized crime and other negative associations. As our success in the Indian film industry partially depends on our ability to maintain our brand image and corporate reputation, in particular in relation to our dealings with creative talent, co-producers, distributors and exhibitors, any such proceedings or allegations, public or private, whether or not routine or justified, could tarnish our reputation and cause creative talent, co-producers, distributors and exhibitors not to work with us.

In addition, the nature of our business and our reliance on intellectual property and other proprietary rights subjects us to the risk of significant litigation. Litigation, or even the threat of litigation, can be expensive, lengthy and disruptive to normal business operations, and the results of litigation are inherently uncertain and may result in adverse rulings or decisions. We may enter into settlements or be subject to judgments that may, individually or in the aggregate, have a material adverse effect on our business, prospects, financial condition or results of operations.

***Anonymous letters to regulators or business associates making allegations regarding our business practices, accounting practices and/or officers and directors could have a resultant material adverse effect on our business, financial condition and results of operation and could negatively impact the market price for our A ordinary shares.***

In the past, when we have publicly filed a report relating to a proposed transaction in either the United Kingdom, India or the United States, we have received anonymous letters sent either to us, a banker, and/or the regulator, making allegations about our business practices and/or officers and directors. Every time we have received such a letter we have undertaken what we believe to be a reasonably prudent review, such as extensive due diligence to investigate the allegations, and where necessary our board of directors has engaged third party professional firms to report to them directly and cleared the matter from a corporate governance point of view. Having conducted these investigations, in each instance we found the allegations were without merit.

However, if we receive similar letters, it could result in a diversion of management resources, time and energy, potential costs to defend ourselves, a decline in the market price for our A ordinary shares, increased share price volatility, an increased directors and officers liability insurance premiums and could have a material adverse effect upon our business, financial condition and results of operations, and ability to access the capital markets.

***Our performance in India is linked to the stability of its policies, including taxation policy, and the political situation.***

The role of Indian central and state governments in the Indian economy has been and remains significant. Since 1991, India's government has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. The rate of economic liberalization could change, and specific laws and policies affecting companies in the media and entertainment sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A new government was elected in India in May 2014 and a significant change in India's economic liberalization and deregulation policies, and in particular, policies in relation to the film industry, could disrupt business and economic conditions in India and thereby affect our business.

Taxes generally are levied on a state-by-state basis for the Indian film industry. Recently, there has been interest in rationalizing the industry's taxes by instituting a uniform set of entertainment taxes administered by the Indian government. Such changes may increase our tax rate, which could adversely affect our financial condition and results of operations. Furthermore, in certain states, theater multiplexes have enjoyed entertainment tax benefits that may be disrupted or discontinued if India moves to a uniform entertainment tax system. This could slow the construction of new multiplexes, and may impact single screen theaters in tier 2 and tier 3 cities converting their 1,000 seater theatres into multiplexes with 2 or 3 screens with seating capacity of 300 seats or less, which we believe is a key driver for domestic theatrical revenue growth. Separately, there are certain deductions available to film producers for expenditures on production of feature films released during a given year. These tax benefits may be discontinued and impact current and deferred tax liabilities. In addition, the government of India has issued and may continue to issue tariff orders setting ceiling prices for distribution of content on cable television service charges in India.

Other proposed changes in the Indian law and policy environment include the following:

The Government of India has proposed three major reforms in Indian tax laws, namely the goods and services tax ("GST"), the direct taxes code ("DTC"), and the General Anti Avoidance Rules ("GAAR"). The Government of India has notified April 1, 2016 for the implementation of the GST in the country. As regards DTC which sought to replace the Income Tax Act, 1961, the new government has proposed to abandon the DTC, as most of its provisions were incorporated in the present Income tax Act. However, news reports indicated that the parliamentary Standing Committee on finance has recently recommended retention of certain parts of DTC and its implementation along with implementation of the GST regime.

The GST would replace the indirect taxes on goods and services, such as central excise duty, service tax, customs duty, central sales tax, state value added tax, surcharge and excise, currently being collected by the central and state governments in India. The GAAR provisions were introduced through the Finance Act, 2012, were to come into effect from April 1, 2016.

The government recently announced it will defer the implementation of GAAR by two years and has proposed to implement it prospectively from April 1, 2017. The GAAR provisions are intended to restrict "impermissible avoidance arrangements," which would be any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests: (i) creates rights, or obligations, not ordinarily created between persons dealing at arm's-length; (ii) results, directly or indirectly, in misuse or abuse of provisions of the Income Tax Act, 1961; (iii) lacks, or is deemed to lack, commercial substance, in whole or in part; or (iv) is entered into or carried out by means, or in a manner, not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, Indian tax authorities would have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects on us cannot be determined at present and there can be no assurance that such effects would not adversely affect our business and future financial performance.

In the Union Budget, 2015, an increase in the rate of Service Tax from 12% to 14% was proposed and subsequently enacted with effect from June 1, 2015, pursuant to the Finance Act, 2015 (the "Act") notified on May 14, 2015. The Act also has a provision levying Education Cess and Secondary and Higher Education Cess would also cease to have effect from same date (i.e.: June 1, 2015), as the same would be subsumed in the service tax rate of 14%. Certain other changes have also been notified to take effect from June 1, 2015. However, the date of giving effect to the provision relating to imposition of a Swachh Bharat cess on all or any taxable service will be done in due course. Swachh Bharat cess will be 2% or less. The Government will identify services and it will be applicable from the date of notification. Increase in service tax effective June 1, 2015 will have an impact on the business of the Company. Moreover, the Swachh Bharat cess, if applicable will have further impact of up to 2%.

Our business and financial performance could be adversely affected by unfavorable changes in or applications or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Such unfavorable changes could decrease demand for our products, increase costs and/or subject us to additional liabilities.

In addition, tax increases could place pricing pressures on cable television service providers and broadcasters, which may, among other things, restrict the ability and willingness of cable television broadcasters in India to pay for content acquisition, including for our films. Any of the foregoing could have a material adverse effect on our business, prospects, financial condition and results of operations.

***Natural disasters, epidemics, terrorist attacks and other acts of violence or war could adversely affect the financial markets, result in a loss of business confidence and adversely affect our business, prospects, financial condition and results of operations.***

Numerous countries, including India, have recently experienced community disturbances, strikes, terrorist attacks, riots, epidemics and natural disasters. These acts and occurrences may result in a loss of business confidence and could cause a temporary suspension of our operations if, for example, local authorities closed theaters and could have an adverse effect on the financial markets and economies of India and other countries. Such closures have previously and could in the future impact our ability to exhibit our films and have a material adverse effect on our business, prospects, financial condition and results of operations. In addition, travel restrictions as a result of such events may interrupt our marketing and distribution efforts and have an adverse impact on our ability to operate effectively.

***Our insurance coverage may be inadequate to satisfy future claims against us.***

While we believe that we have adequately insured our operations and property in a way that we believe is customary in the Indian film entertainment industry and in amounts that we believe to be commercially appropriate, we may become subject to liabilities against which we are not adequately insured or against which we cannot be insured, including losses suffered that are not easily quantifiable and cause severe damage to our reputation. Film bonding, which is a customary practice for U.S. film companies, is rarely used in India. Even if a claim is made under an existing insurance policy, due to exclusions and limitations on coverage, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. In addition, in the future, we may not be able to maintain insurance of the types or in the amounts that we deem necessary or adequate or at premiums that we consider appropriate. The occurrence of an event for which we are not adequately or sufficiently insured, the successful assertion of one or more large claims against us that exceed available insurance coverage, the successful assertion of claims against our co-producers, or changes in our insurance policies could have a material adverse effect on our business, prospects, financial condition and results of operations.

***Our Indian subsidiary, Eros India, from which we derive a substantial portion of our revenues, is publicly listed and we may lose our ability to control its activities.***

Our Indian subsidiary, Eros India, from which we derive a substantial portion of our revenues, is publicly listed on the Indian stock exchanges. As such, under Indian law, minority stockholders have certain rights and protections against oppression and mismanagement. Further, we own approximately 74.4% of this entity. Over time, we may lose control over its activities and, consequently, lose our ability to consolidate its revenues.

***Eros India is subject to the provisions of the Indian Companies Act, 2013 which has significantly changed the Indian company law framework. Also, the Securities and Exchange Board of India (the "SEBI"), the securities market regulator in India, introduced changes to the listing agreement that may subject us to enhanced compliance requirements and increase our compliance costs.***

A majority of the provisions and rules under the Indian Companies Act, 2013 (the "New Companies Act") have come into effect, resulting in the corresponding provisions of the Indian Companies Act, 1956 ceasing to have effect. The New Companies Act and the rules thereunder have brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offer documents, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders (pending notification by the Ministry of Corporate Affairs of India) or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors, insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing.

Eros India needs to spend, in each financial year, at least 2% of the average net profits during the three immediately preceding financial years towards corporate social responsibility activities and disclose its corporate social responsibility policies and activities on its website. Further, the New Companies Act imposes greater monetary and other liability on Eros India and its subsidiaries and the directors of Eros India for any non-compliance. To ensure compliance with the requirements of the New Companies Act, Eros India may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The New Companies Act has introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, Eros India may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the New Companies Act differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, Eros India may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the New Companies Act overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations issued by the SEBI). Recently, the SEBI issued revised corporate governance guidelines which came into effect from October 1, 2014.

Pursuant to the revised guidelines, Eros India will be required to, inter alia, maintain at least one female director on its board, establish a vigilance mechanism for directors and employees and reconstitute certain committees in accordance with the revised guidelines. Eros India may face difficulties in complying with any such requirements. Further, the impact of provisions of the New Companies Act or the revised SEBI corporate governance norms has led to an increase in compliance requirements or in compliance costs which may have an adverse effect on our business and results of operations.

***Dividend distributions by our subsidiaries are subject to certain limitations under local laws, including Indian and Dubai law and other contractual restrictions.***

As a holding company, we rely on funds from our subsidiaries to satisfy our obligations. Dividend payments by our subsidiaries, including Eros India and Eros Worldwide FZ-LLC, or Eros Worldwide, are subject to certain limitations under local laws. For example, under Indian law, dividends other than in cash are not permitted and cash dividends are only permitted to be paid out of distributable profits. Dubai law imposes similar limitations on dividend payments. An Indian company paying dividends is also liable to pay dividend distribution tax at an effective rate of 20.4%, including cess (additional Indian education tax) and surcharges. In addition, the Shareholders Agreement of Ayngaran, limits the ability of that entity to pay dividends without shareholder approval.

***The Relationship Agreement with our subsidiaries may not reflect market standard terms that would have resulted from arm's length negotiations among unaffiliated third parties and may include terms that may not be obtained from future negotiations with unaffiliated third parties.***

The 2009 Relationship Agreement between Eros India and Eros Worldwide FZ LLC ("Eros Worldwide") and other Eros entities (the "Relationship Agreement"), exclusively assigns to Eros Worldwide certain intellectual property rights and all distribution rights for Indian films (other than Tamil films) held by Eros India or any of its subsidiaries other than Ayngaran and its subsidiaries, or the Eros India Group, in all territories other than India, Nepal, and Bhutan, the rights for which are retained by Eros India and its subsidiaries. In return, Eros Worldwide provides a lump sum minimum guarantee fee for each assigned film to the Eros India Group plus certain additional contingent amounts.

The Relationship Agreement may not reflect terms that would have resulted from arm's length negotiations among unaffiliated third parties, and the Eros's future operating results may be negatively affected if it does not receive terms as favorable in future negotiations with unaffiliated third parties. Further, as Eros does not own 100% of Eros India, it may lose control over its activities and, consequently, its ability to ensure its continued performance under the Relationship Agreement.

The transfer pricing arrangements in the Relationship Agreement are not binding on the applicable taxing authorities, and may be subject to scrutiny by such taxing authorities. Accordingly, there may be material and adverse tax consequences if the applicable taxing authorities challenge these arrangements, and they may adjust our income and expenses for tax purposes for both present and prior tax years, and assess interest on the adjusted but unpaid taxes.

***Our indebtedness could adversely affect our operations, including our ability to perform our obligations, fund working capital and pay dividends.***

As of March 31, 2015, we had \$314.7 million of borrowings outstanding. We may also be able to incur substantial additional indebtedness. Our indebtedness could have important consequences to you, including the following:

- we could have difficulty satisfying our debt obligations, and if we fail to comply with these requirements, an event of default could result;
- we may be required to dedicate a substantial portion of our cash flow from operations to required payments on indebtedness, thereby reducing the cash flow available to fund working capital, capital expenditures and other general corporate activities or to pay dividends;
- covenants relating to our indebtedness may restrict our ability to make distributions to our shareholders;
- covenants relating to our indebtedness may limit our ability to obtain additional financing for working capital, capital expenditures and other general corporate activities, which may limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- lenders are able to require us to repay certain secured loans to each of Eros India and Eros International Limited prior to their maturity, which as of March 31, 2015, represented \$78.0 million of the outstanding indebtedness of Eros India and \$15.9 million of the outstanding indebtedness of Eros International Limited;

- certain Eros India loan agreements are currently being considered for their annual renewal, and until these renewals are obtained, the lenders under these loan agreements may at any time require repayment of amounts outstanding, which as of March 31, 2015, totaled \$9.2 million of the \$78.0 million outstanding under the aforementioned Eros India indebtedness;
- we may be more vulnerable to general adverse economic and industry conditions;
- we may be placed at a competitive disadvantage compared to our competitors with less debt; and
- we may have difficulty repaying or refinancing our obligations under our senior credit facilities on their respective maturity dates.

If any of these consequences occur, our financial condition, results of operations and ability to pay dividends could be adversely affected. This, in turn, could negatively affect the market price of our ordinary shares, and we may need to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital.

We cannot assure you that any refinancing would be possible, that any assets could be sold, or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financing could be obtained on acceptable terms, if at all.

***Our ability to incur debt and the use of our funds could be limited by the restrictive covenants in the loan agreement for our revolving credit facility as well as our GBP denominated London Stock Exchange listed bond ("UK Retail Bond").***

The loan agreement for our revolving credit facility and the UK Retail Bond contains restrictive covenants, as well as requirements to comply with certain leverage and other financial maintenance tests. These covenants and requirements could limit our ability to take various actions, including incurring additional debt, guaranteeing indebtedness and engaging in various types of transactions, including mergers, acquisitions and sales of assets. These covenants could place us at a disadvantage compared to some of our competitors, who may have fewer restrictive covenants and may not be required to operate under these restrictions. Further, these covenants could have an adverse effect on our business by limiting our ability to take advantage of financing, mergers and acquisitions or other opportunities.

***We may not be able to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness that may not be successful.***

Based on interest rates as of March 31, 2015, and assuming no additional borrowings or principal payments on our revolving credit facilities and the UK Retail Bond until their maturities, we would need approximately \$96.4 million over the next year, and \$141.5 million over the next five years, to meet our principal and interest payments under our debt agreements. Our ability to satisfy our debt obligations will depend upon, among other things:

- our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, many of which are beyond our control;
- our ability to refinance our debt as it becomes due, which will be affected by the cost and availability of credit; and
- our future ability to borrow under our revolving credit facilities, the availability of which depends on, among other things, our compliance with the covenants in our revolving credit facilities.

There can be no assurance that our business will generate sufficient cash flow from operations, or that we will be able to refinance debt as it comes due or draw under our revolving credit facilities in an amount sufficient to fund our liquidity needs. If our cash flows and capital resources are insufficient to service our indebtedness, we may be forced to reduce or delay capital expenditures, sell assets, or seek additional capital. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In addition, the terms of existing or future debt agreements may restrict us from adopting some of these alternatives. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. If we are unable to generate sufficient cash flow, refinance our debt on favorable terms or sell additional debt or equity securities or our assets, it could have a material adverse effect on our financial condition and on our ability to make payments on our indebtedness.

***We face risks relating to the international distribution of our films and related products.***

We derive a significant percentage of our net revenues from customers located outside of India. We derived 61.5% of our fiscal 2015 net revenue from the exploitation of our films in territories outside of India. We do not track revenues by geographical region other than based on where the customer who entered into a contract with us is based and not necessarily the country where the rights have been exploited or licensed. As a result, revenue by customer location may not be reflective of the potential of any given market. As a result of changes in the location of our customers, our revenues by customer location may vary year to year.

Our business is subject to risks inherent in international trade, many of which are beyond our control. These risks include:

- fluctuating foreign exchange rates;
- laws and policies affecting trade, investment and taxes, including laws and policies relating to the repatriation of funds and withholding taxes and changes in these laws;
- differing cultural tastes and attitudes, including varied censorship laws;
- differing degrees of protection for intellectual property;
- financial instability and increased market concentration of buyers in other markets;
- the increased difficulty of collecting trade receivables across multiple jurisdictions;
- the instability of other economies and governments; and
- war and acts of terrorism.

Events or developments related to these and other risks associated with international trade could adversely affect our revenues from non-Indian sources, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

***We may pursue acquisition opportunities, which could subject us to considerable business and financial risk.***

We evaluate potential acquisitions of complementary businesses on an ongoing basis and may from time to time pursue acquisition opportunities, such as our February 2015 execution of a share purchase agreement to acquire Universal Power Systems Private Limited (doing business as Techzone). However, this acquisition is subject to receipt of applicable regulatory approvals and fulfillment of other closing conditions listed in the share purchase agreement. We may not be successful in identifying acquisition opportunities, assessing the value, strengths and weaknesses of these opportunities or consummating acquisitions on acceptable terms. Future acquisitions may result in near term dilution to earnings, including potentially dilutive issuances of equity securities or issuances of debt. Acquisitions may expose us to particular business and financial risks that include, but are not limited to:

- diverting of financial and management resources from existing operations;
- incurring indebtedness and assuming additional liabilities, known and unknown, including liabilities relating to the use of intellectual property we acquire;
- incurring significant additional capital expenditures, transaction and operating expenses and non-recurring acquisition-related charges;
- experiencing an adverse impact on our earnings from the amortization or impairment of acquired goodwill and other intangible assets;
- failing to successfully integrate the operations and personnel of the acquired businesses;
- entering new markets or marketing new products with which we are not entirely familiar; and
- failing to retain key personnel of, vendors to and clients of the acquired businesses.

If we are unable to address the risks associated with acquisitions, or if we encounter expenses, difficulties, complications or delays frequently encountered in connection with the integration of acquired entities and the expansion of operations, we may fail to achieve acquisition synergies and may be required to focus resources on integration of operations rather than on our primary business activities. In addition, future acquisitions could result in potentially dilutive issuances of our A ordinary shares, the incurrence of debt, contingent liabilities or amortization expenses, or write-offs of goodwill, any of which could harm our financial condition.

## Risks Related to our A Ordinary Shares

*Our A ordinary share price may be highly volatile and, as a result, shareholders could lose a significant portion or all of their investment or we could become subject to securities class action litigation.*

Prior to November 12, 2013, our ordinary shares had been admitted on the Alternative Investment Market of the London Stock Exchange (“AIM”) since 2006 and our ‘A’ ordinary shares have been traded on the New York Stock Exchange (“NYSE”) since our initial public offering. The trading price of our ordinary shares on AIM and the NYSE has been highly volatile. For example, the highest price that our ordinary shares traded in the period beginning November 12, 2012 and ending November 12, 2013 was \$4.48 and the lowest price was \$2.96, prior to giving effect to the one-for-three reverse stock split effectuated on November 12, 2013. Since the listing of our A ordinary shares on the NYSE, the highest closing price of the A ordinary shares, in the period beginning November 12, 2013 and ending May 31, 2015, was \$22.44 and the lowest price was \$8.60. The market price of the A ordinary shares on the NYSE may fluctuate as a result of several factors, including the following:

- variations in our quarterly operating results;
- volatility in our industry, the industries of our customers and the global securities markets;
- risks relating to our business and industry, including those discussed above;
- strategic actions by us or our competitors;
- adverse judgments or settlements obligating us to pay damages;
- actual or expected changes in our growth rates or our competitors’ growth rates;
- investor perception of us, the industry in which we operate, the investment opportunity associated with the A ordinary shares and our future performance;
- adverse media reports about us or our directors and officers;
- addition or departure of our executive officers;
- changes in financial estimates or publication of research reports by analysts regarding our A ordinary shares, other comparable companies or our industry generally;
- trading volume of our A ordinary shares;
- sales of our ordinary shares by us or our shareholders;
- domestic and international economic, legal and regulatory factors unrelated to our performance; or
- the release or expiration of lock-up or other transfer restrictions on our outstanding A ordinary shares.

Furthermore, the stock markets recently have experienced significant price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions or interest rate changes may cause the market price of ordinary shares to decline.

In addition, some companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may become the target of this type of litigation. Securities litigation against us could result in substantial costs and divert our management’s attention from other business concerns, which could seriously harm our business.

***Additional equity issuances will dilute your holdings, and sales by the Founders Group could adversely affect the market price of our A ordinary shares.***

Sales of a large number of our ordinary shares by the Founders Group, as defined in “Part I — Item 4. Information on the Company — C. Organizational Structure” could adversely affect the market price of our A ordinary shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of our A ordinary shares. Any future issuance of our A ordinary shares by us may dilute the holdings of our existing shareholders, causing the market price of our A ordinary shares to decline. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of our A ordinary shares.



***The Founders Group, which includes our Chairman, Kishore Lulla, holds a substantial interest in and, through the voting rights afforded to our B ordinary shares and held by the Founders Group, will continue to have the ability to exercise a controlling influence over our business, which will limit your ability to influence corporate matters.***

Our B ordinary shares have ten votes per share and our A ordinary shares, which are trading on the NYSE, have one vote per share. As of March 31, 2015, the Founders Group collectively owns 46.68% of our issued share capital in the form of 1,305,505 A ordinary shares, representing 0.45% of the voting power of our outstanding ordinary shares, and 25,555,200 B ordinary shares, representing all of our B ordinary shares and 88.8% of the voting power of our outstanding ordinary shares.

Due to the disparate voting powers attached to our two classes of ordinary shares, the Founders Group continues to have significant influence over management and affairs and over all matters requiring shareholder approval, including our management and policies and the election of our directors and senior management, the approval of lending and investment policies, revenue budgets, capital expenditure, dividend policy, significant corporate transactions, such as a merger or other sale of our company or its assets and strategic acquisitions, for the foreseeable future. In addition, because of this dual class structure, the Founders Group will continue to be able to control all matters submitted to our shareholders for approval until they come to own less than 10% of the outstanding ordinary shares, when all B ordinary shares held by the Founders Group will automatically convert into A ordinary shares on a one-for-one basis.

This concentrated control could delay, defer or prevent a change in control of our company, impede a merger, consolidation, takeover or other business combination involving our company, or discourage a potential acquirer from making a tender offer, initiating a potential merger or takeover or otherwise attempting to obtain control of the Company even though other holders of A ordinary shares may view a change in control as beneficial. Many of our directors and senior management also serve as directors of, or are employed by, our affiliated companies, and we cannot guarantee that any conflicts of interest will be resolved in our favor. As a result of these factors, members of the Founders Group may influence our material policies in a manner that could conflict with the interests of our shareholders. As a result, the market price of our A ordinary shares could be adversely affected.

***We will continue to incur increased costs as a result of being a U.S. public company.***

We became a U.S. public company in November 2013. As a U.S. public company, we incur significant legal, accounting and other expenses and these expenses will likely increase after we no longer qualify as an “emerging growth company.” Being a U.S. public company increased our legal and financial compliance costs and make some activities more time-consuming and costly. In addition it has made it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage in the future. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers.

***As a foreign private issuer, we are subject to different U.S. securities laws and NYSE governance standards than domestic U.S. issuers. This may afford less protection to holders of our A ordinary shares, and you may not receive corporate and company information and disclosure that you are accustomed to receiving or in a manner in which you are accustomed to receiving it.***

As a foreign private issuer, the rules governing the information that we disclose differ from those governing U.S. corporations pursuant to the Securities Exchange Act of 1934, as amended, or the Exchange Act. Although we intend to report quarterly financial results and report certain material events, we are not required to file quarterly reports on Form 10-Q or provide current reports on Form 8-K disclosing significant events within four days of their occurrence and our quarterly or current reports may contain less information than required under U.S. filings. In addition, we are exempt from the Section 14 proxy rules, and proxy statements that we distribute will not be subject to review by the SEC. Our exemption from Section 16 rules regarding sales of ordinary shares by insiders means that you will have less data in this regard than shareholders of U.S. companies that are subject to the Securities Exchange Act. As a result, you may not have all the data that you are accustomed to having when making investment decisions. For example, our officers, directors and principal shareholders are exempt from the reporting and “short-swing” profit recovery provisions of Section 16 of the Exchange Act and the rules thereunder with respect to their purchases and sales of our A ordinary shares.

The periodic disclosure required of foreign private issuers is more limited than that required of domestic U.S. issuers and there may therefore be less publicly available information about us than is regularly published by or about U.S. public companies. See “Part I — Item 10. Additional Information — H. Documents on Display.”

As a foreign private issuer, we are exempt from complying with certain corporate governance requirements of the NYSE applicable to a U.S. issuer, including the requirement that a majority of our board of directors consist of independent directors. Although we are in compliance with the current NYSE corporate governance requirements imposed on U.S. issuers, with the exception of our Audit Committee currently having two rather than three members, our charter does not require that we meet these requirements.



As the corporate governance standards applicable to us are different than those applicable to domestic U.S. issuers, you may not have the same protections afforded under U.S. law and the NYSE rules as shareholders of companies that do not have such exemptions. It is also possible that the significant ownership interest of the Founders Group could adversely affect investor perception of our corporate governance.

***We are an “emerging growth company” and if we decide to comply only with reduced disclosure requirements applicable to emerging growth companies, our A ordinary shares could be less attractive to investors and our share price may be more volatile.***

We are an “emerging growth company,” as defined in the JOBS Act, and, for as long as we continue to be an “emerging growth company,” we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to “emerging growth companies,” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the SOX Act. We will cease to be an “emerging growth company” upon the earliest of (1) the first fiscal year following the fifth anniversary of our initial public offering, November 12, 2013, (2) the first fiscal year after our annual gross revenue is \$1 billion or more, (3) the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt securities or (4) the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeds \$700 million as of the end of the second quarter of that fiscal year. We cannot predict if investors will find our A ordinary shares less attractive if we choose to rely on these exemptions. If some investors find our A ordinary shares less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our A ordinary shares and our share price may be more volatile.

***You may be subject to Indian taxes on income arising through the sale of our A ordinary shares.***

The Indian Income Tax Act, 1961 has been amended to provide that income arising directly or indirectly through the sale of a capital asset, including shares of a company incorporated outside of India, will be subject to tax in India, if such shares derive, directly or indirectly, their value substantially from assets located in India, whether or not the seller of such shares has a residence, place of business, business connection, or any other presence in India, if, on the specified date, the value of such assets (i) represents 20% of the fair market value of all assets owned by the company or entity, or (ii) exceeds the specified amount.

Further, the amendment does not deal with the interplay between this provision of Indian tax law and the existing double tax avoidance treaties that India has entered into with countries such as the United States, United Kingdom and Canada. If the Indian tax authorities determine that our A ordinary shares derive their value substantially from assets located in India and the provisions of any relevant double tax avoidance treaty are deemed to be inapplicable in this context, you may be subject to Indian income taxes on the income arising, directly or indirectly, through the sale of our A ordinary shares. For additional information, see “Part I—Item 10. Additional Information—E. Taxation.”

***We are an Isle of Man company and, because judicial precedent regarding the rights of shareholders is more limited under Isle of Man law than under U.S. law, you may have less protection of your shareholder rights than you would under U.S. law.***

Our constitution is set out in our memorandum and articles of association, and we are subject to the Isle of Man Companies Act 2006, as amended, — see “Part II — Item 4. Information on the Company — Government Regulations” and Isle of Man common law. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Isle of Man law are to an extent governed by the common law of the Isle of Man. The common law of the Isle of Man is derived in part from comparatively limited judicial precedent in the Isle of Man as well as from English common law, which has persuasive, but not binding, authority on a court in the Isle of Man. The rights of our shareholders and the fiduciary responsibilities of our directors under Isle of Man law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Isle of Man has a less developed body of securities laws than the United States. In addition, some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Isle of Man. Furthermore, shareholders of Isle of Man companies may not have standing to initiate a shareholder derivative action in a federal court of the United States. As a result, shareholders may have more difficulties in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as shareholders of a U.S. company.

***Our board of directors may determine that a shareholder meets the criteria of a “prohibited person” and subject such shareholder’s shares to forced divestiture.***

Our articles of association permit our board of directors to determine that any person owning shares (directly or beneficially) constitutes a “prohibited person” and is not qualified to own shares if such person is in breach of any law or requirement of any country and, as determined solely by our board of directors, such ownership would cause a pecuniary or tax disadvantage to us, another shareholder or holders of our other securities. If our board of directors determines that a shareholder meets the above criteria of a “prohibited person,” they may direct such shareholder to transfer all A ordinary shares such shareholder owns to another person. Under the provisions of our articles of association, such a determination by our board of directors would be conclusive and binding on such shareholder.

If our board of directors directs such shareholder to transfer all A ordinary shares such shareholder owns, such shareholder may recognize taxable gain or loss on the transfer. See “Part I — Item 10. Additional Information — E. Taxation” for a more detailed description of the tax consequences of a sale or exchange or other taxable disposition of such shareholders A ordinary shares.

***Judgments obtained against us by our shareholders may not be enforceable.***

We are an Isle of Man company and substantially all of our assets are located outside of the United States. A substantial part of our current operations are conducted in India. In addition, substantially all of our directors and executive officers are nationals and residents of countries other than the United States and we believe that a substantial portion of the assets of these persons may be located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon these persons. It may also be difficult for you to enforce in U.S. courts judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors. Moreover, there is uncertainty as to whether the courts of the Isle of Man or India would recognize or enforce judgments of United States courts against us or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state. In addition, there is uncertainty as to whether such Isle of Man or Indian courts would be competent to hear original actions brought in the Isle of Man or in India against us or such persons predicated upon the securities laws of the United States or any state.

***If securities or industry analysts do not publish research or publish unfavorable or inaccurate research about our business, our share price and trading volume could decline.***

The trading market for our ordinary shares depends, in part, on the research and reports that securities or industry analysts publish about us or our business. We may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of our company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for our ordinary shares would be negatively impacted. In the event we obtain securities or industry analyst coverage, if one or more of the analysts who cover us downgrade our ordinary shares or publish inaccurate or unfavorable research about our business, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our ordinary shares could decrease, which might cause our share price and trading volume to decline.

***We do not currently intend to pay dividends on our ordinary shares. Our ability to pay dividends in the future will depend upon satisfaction of the Isle of Man 2006 Companies Act solvency test, future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

We currently intend to retain any future earnings and do not expect to pay dividends on our ordinary shares. The amount of our future dividend payments, if any, will depend upon our satisfaction of the solvency test contained in the 2006 Companies Act, our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. The 2006 Companies Act provides that a company satisfies the solvency test if: (i) it is able to pay its debts as they become due in the normal course of the company’s business; and (ii) the value of the company’s assets exceeds the value of its liabilities. There can be no assurance that we will be able to pay dividends. Additionally, we are restricted by the terms of certain of our current debt financing facilities and may be restricted by the terms of any future debt financings in relation to the payment of dividends.

***We may be classified as a passive foreign investment company, or PFIC, under United States tax law, which could result in adverse United States federal income tax consequences to U.S. investors.***

Based upon the past and projected composition of our income and valuation of our assets, we do not believe we will be a PFIC for our taxable year ending December 31, 2015, and we do not expect to become one in the future, although there can be no assurance in this regard. The determination of whether or not we are a PFIC for any taxable year is made on an annual basis and will depend on the composition of our income and assets from time to time. Specifically, we will be classified as a PFIC for United States federal income tax purposes if either:

- 75% or more of our gross income in a taxable year is passive income, or
- 50% or more of the average quarterly value of our gross assets in a taxable year is attributable to assets that produce passive income or are held for the production of passive income.

The calculation of the value of our assets will be based, in part, on the then market value of our A ordinary shares, which is subject to change. We cannot assure you that we were not a PFIC for the 2013 and 2014 taxable years or that we will not be a PFIC for this or any future taxable year. Moreover, the determination of our PFIC status is based on an annual determination that cannot be made until the close of a taxable year and involves extensive factual investigation. This investigation includes ascertaining the fair market value of all of our assets on a quarterly basis and the character of each item of income we earn, which cannot be completed until the close of a taxable year, and, therefore, our U.S. counsel expresses no opinion with respect to our PFIC status.

If we were to be or become classified as a PFIC, a U.S. Holder (as defined in “Part I — Item 10. Additional Information — E. Taxation”) may be subject to burdensome reporting requirements and may incur significantly increased United States income tax on gain recognized on the sale or other disposition of the shares and on the receipt of distributions on the shares to the extent such gain or distribution is treated as an “excess distribution” under the United States federal income tax rules. Further, if we were a PFIC for any year during which a U.S. Holder held our shares, we would continue to be treated as a PFIC for all succeeding years during which such U.S. Holder held our shares. Each U.S. Holder is urged to consult its tax advisors concerning the United States federal income tax consequences of acquiring, holding and disposing of shares if we are or become classified as a PFIC. See “Part I — Item 10. Additional Information — E. Taxation” for a more detailed description of the PFIC rules.

#### ITEM 4. INFORMATION ON THE COMPANY

##### A. History and Development of our Company

Eros International Plc was incorporated in the Isle of Man as of March 31, 2006 under the Companies Act 1931 commonly known as the 1931 Act — see “Part II — Item 4. Information on the Company — Government Regulations,” as a public company limited by shares. Effective as of September 29, 2011, the Company was de-registered under the 1931 Act and re-registered as a company limited by shares under the 2006 Act. We maintain our registered office at Fort Anne, Douglas, Isle of Man IM15PD; our principal executive office in the U.S. is at 550 County Avenue, Secaucus, New Jersey 07094; and our telephone number is +1(201) 558-9021. We maintain a website at [www.erosplc.com](http://www.erosplc.com). Information contained in our website is not a part of, and is not incorporated by reference into, this annual report.

Our capital expenditures in fiscal 2015, 2014 and 2013 were \$276.2 million, \$163.2 million and \$186.7 million, respectively. Our principal capital expenditures were incurred for the purposes of purchasing intangible film rights and related content. We expect our capital expenditure needs in fiscal 2016 to be approximately \$225 million, a significant amount of which we expect to be used for the acquisition of further intangible film rights and related content.

##### B. Business Overview

Eros International Plc is a leading global company in the Indian film entertainment industry, which co-produces, acquires and distributes Indian language films in multiple formats worldwide. Our success is built on the relationships we have cultivated over the past 30 years with leading talent, production companies, exhibitors and other key participants in our industry. Leveraging these relationships, we have aggregated rights to over 2,300 films in our library, plus approximately 700 additional films for which we hold digital rights only, including recent and classic titles that span different genres, budgets and languages, and we have distributed a portfolio of over 210 new films over the last three completed fiscal years. New film distribution across theatrical, television and digital channels along with library monetization provide us with diversified revenue streams.

Our goal is to co-produce, acquire and distribute Indian films that have a wide audience appeal. We have released internationally or globally Hindi language films which were among the top grossing films in India in 2013 and 2014. In the fiscal years ending in 2015, 2014 and 2013, we released 30, 23 and 16 Hindi language films globally, respectively. These Hindi films form the core of our annual film slate and constitute a significant portion of our revenues and associated content costs. The balance of our typical annual slate for these years of over 60 other films was comprised of Tamil and other regional language films.

Our distribution capabilities enable us to target a majority of the 1.2 billion people in India, our primary market for Hindi language films, where, according to [bollywoodhungama.com](http://bollywoodhungama.com), we released four of the top ten grossing Hindi films in India in 2013 and two of the top ten grossing Hindi language films in India in 2012. Further, according to [BoxOfficeIndia.com](http://BoxOfficeIndia.com), we released four out of the top ten grossing Hindi language films in India in 2011. Our distribution capabilities further enable us to target consumers in over 50 countries internationally, including markets with large South Asian populations, such as the United States and the United Kingdom, where Rentrak reported our market share (as an average over the preceding four calendar years to 2014) as 35% of all theatrically released Indian language films in the United Kingdom, based on gross collections — including releases by Ayngaran, our majority-owned subsidiary, and 32% in the United States on the same basis. Other international markets that exhibit significant demand for subtitled or dubbed Indian-themed entertainment include Europe and Southeast Asia. Depending on the film, the distribution rights we acquire may be global, international or India only. Recently, as demand for regional film and other media has increased in India, our brand recognition in Hindi films has helped us to grow our non-Hindi film business by targeting regional audiences in India and beyond. With our distribution network for Hindi and Tamil films and additional distribution support through our majority owned subsidiary, Ayngaran, we believe we are well positioned to expand our offering of non-Hindi content.

We distribute our film content globally across the following distribution channels: *theatrical*, which includes multiplex chains and stand-alone theaters; *television syndication*, which includes satellite television broadcasting, cable television and terrestrial television; and *digital*, which includes primarily internet protocol television, or IPTV, video on demand, or VOD, and internet channels. Eros Now, our on-demand entertainment portal accessible via internet-enabled devices, was soft launched in 2012 and now has a selection of over 1,000 movies, over 6,500 music videos, over 6,000 TV episodes available and over 80,000 audio tracks. We expect that Eros Now eventually will include our full film library, as well as further third party content.

Our total revenues for fiscal 2015 increased to \$284.2 million from \$235.5 million for fiscal 2014, EBITDA increased to \$70.1 million for fiscal 2015 from \$58.9 million for fiscal 2014, and our net income increased to \$49.3 million for fiscal 2015 from \$37.1 million for fiscal 2014.

The tables below set forth, for the periods indicated, revenue by primary geographic area based on customer location, and the percentage share of total revenue.

	Year ended March 31,		
	2015	2014	2013
	(in thousands)		
India	\$ 109,513	\$ 117,647	\$ 135,292
Europe	27,146	22,245	35,147
North America	19,052	14,017	12,678
Rest of the world	128,464	81,561	32,229
Total revenues	\$ 284,175	\$ 235,470	\$ 215,346

	Year ended March 31,		
	2015	2014	2013
India	38.5%	50.0%	62.8%
Europe	9.6	9.4	16.3
North America	6.7	6.0	5.9
Rest of the world	45.2	34.6	15.0
Total revenues	100.0%	100.0%	100.0%

### Our Competitive Strengths

We believe the following competitive strengths position us as a leading global company in the Indian film entertainment industry.

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

As one of the leading participants in the Indian film entertainment industry we believe our size, scale and market position will continue contributing to our growth in India and internationally. We have established our size and scale by aggregating a film library of over 2,300 films plus over 700 additional films for which we hold digital rights only, and releasing over 210 new films over the last three years. We have demonstrated our leading market position by releasing, internationally or globally, Hindi language films which were among the top grossing films in India in 2014, 2013 and 2012. We believe that we have strong relationships with the Indian creative community and a reputation for quality productions.

We believe that these factors, along with our worldwide distribution platform, will enable us to continue to attract talent and film projects of a quality that we believe is one of the best in our industry, and build what we believe is a strong film slate for fiscal 2016 with some of the leading actors and production houses with whom we have previously delivered our biggest hits. We believe that the combined strength of our new releases and our extensive film library positions us well to build new strategic relationships.

#### *Established, worldwide, multi-channel distribution network.*

We distribute our films to the Indian population in India, the South Asian diaspora worldwide and to non-Indian consumers who view Indian films that are subtitled or dubbed in local languages. Internationally, our distribution network extends to over 50 countries, such as the United States, the United Kingdom and throughout the Middle East, where we distribute films to Indian expatriate populations, and to Germany, Poland, Russia, Romania, Indonesia, Malaysia, Taiwan, Japan, South Korea, China and Arabic speaking countries, where we release Indian films that are subtitled or dubbed in local languages. Through this global distribution network, we distribute Indian entertainment content over the following primary distribution channels — theatrical, television syndication and digital platforms. Our primarily internal distribution network allows us greater control, transparency and flexibility over the regions in which we distribute our films which we believe will result in higher profit margins as a result of the direct exploitation of our films without the payment of significant commissions to sub-distributors.

#### *Diversified revenue streams and pre-sale strategies mitigate risk and promote cash flow generation.*

Our business is driven by three major revenue streams:

- theatrical distribution;
- television syndication; and
- digital distribution and ancillary products and services.

In fiscal 2015, theatrical distribution accounted for nearly 43.3% of revenues, and television syndication and digital distribution and ancillary products and services accounted for 35.6% and 21.1%, respectively, reflecting our diversified revenue base that reduces our dependence on any single distribution channel. We bundle library titles with new releases to maximize cash flows and we also utilize a pre-sale strategy to mitigate new production project risks by obtaining contractual commitments to recover a portion of our capitalized film costs through the licensing of television, music and other distribution rights prior to a film's completion.

Television pre-sales in India are an important factor in enhancing revenue predictability for our business and are part of our diversification strategy to mitigate risks of cash flow generation. In fiscal 2014, we recouped 43% to 73% of our production cost of high budget Hindi films and over 100% of our production cost of high budget Tamil and Telugu films through pre-sales contractual commitments. In 2015, we recouped 100% of our direct production cost of the one Telugu film released through contractual commitments prior to the film's release, and we recouped 91% and 95% of our direct production cost of each of the two Tamil films released through contractual commitments prior to the films' releases. In the case of one Hindi film we recouped 63% of the direct production cost through pre-sales. In the case of the remaining two Hindi high budget films released in the third and fourth quarter of fiscal 2015, we did not pre-sell our television rights in order to be able to premiere the films on Eros Now in July 2015 to coincide with the marketing launch of Eros Now prior to the television window. We currently expect to resume television pre-sales of our high budget Hindi films like in past years, even though some of these films will continue to premiere on Eros Now prior to airing on television.

In addition, we further seek to reduce risk to our business by building a diverse film slate, with a mix of films by budget, region and genre that reduces our reliance on "hit films." This broad-based approach also enables us to bundle old and new titles for our television and digital distribution channels to generate additional revenues long after a film's theatrical release period is completed. We believe our multi-pronged approach to exploiting content through theatrical, television syndication and digital distribution channels, our pre-sale strategies and our portfolio approach to content sourcing and exploitation mitigates our dependence on any one revenue stream and promotes cash flow generation.

#### ***Strong and experienced management team.***

Our management team has substantial industry knowledge and expertise, with a majority of our executive officers and executive directors having been involved in the film, media and entertainment industries for 20 or more years, and has served as a key driver of our strength in content sourcing. In particular, several members of our management team have established personal relationships with leading talent, production companies, exhibitors and other key participants in the Indian film industry, which have been critical to our success. Through their relationships and expertise, our management team has also built our global distribution network, which has allowed us to effectively exploit our content globally.

#### **Our Strategy**

Our strategy is driven by the scale and variety of our content and the global exploitation of that content through diversified channels. Specifically, we intend to pursue the following strategies:

#### ***Co-produce, acquire and distribute high quality content to augment our library.***

We will continue to leverage the longstanding relationships with creative talent, production houses and other key industry participants that we have built since our founding to source a wide variety of content. Our focus will be on investing in future slates comprised of a diverse portfolio mix ranging from high budget global theatrical releases to lower budget movies with targeted audiences. We intend to maintain our focus on high and medium budget films and augment our library with quality content for exploitation through our distribution channels and explore new bundling strategies to monetize existing content.

#### ***Capitalize on positive industry trends in the Indian market.***

Propelled by the economic expansion within India and the corresponding increase in consumer discretionary spending, the FICCI Report 2015 projects that the dynamic Indian media and entertainment industry will grow at a 13.9% compound annual growth rate, or CAGR, from \$16.5 billion in 2014 to \$31.5 billion by 2019, and that the Indian film industry will grow from \$2.0 billion in 2014 to \$3.2 billion in 2019. India is one of the largest film markets in the world. According to FICCI Report 2014, average ticket prices at leading multiplexes increased by 12%-17% from 2011-2013. The average ticket price at high-end multiplexes was \$4.00, \$2.20 at multiplexes overall and \$1.60 at single screens in 2013.

The Indian television market is one of the largest in the world, reaching an estimated 168 million television, or TV households in 2014, of which over 149 million were subscribing cable and satellite households. FICCI Report 2015 projects that the Indian television industry will grow from \$7.6 billion in 2014 to \$15.6 billion in 2019. The growing size of the TV industry has led television satellite networks to provide an increasing number of channels, resulting in competition for quality feature films for home viewing in order to attract increased advertising and subscription revenues.

Broadband and mobile platforms present growing digital avenues to exploit content. According to FICCI Report 2014, the number of internet users in India reached 281 million in 2014 and is projected to reach 640 million by 2019. Smartphone usage is projected to rapidly increase from 116 million active internet enabled smart phones in 2014 to 435 million in 2019. The \$160 million Indian music industry, is projected to grow to \$303 million by 2019, although music publishing activities accounted for less than 1% of our fiscal 2015 net revenues. While these projections generally align with management's expectations for industry growth, there is no guarantee that such future growth will occur.

We will take advantage of the opportunities presented by these trends within India to monetize our library and distribute new films through existing and emerging platforms, including by exploring new content options for expanding our digital strategy such as filming exclusive short form content for consumption through emerging channels such as mobile and internet streaming devices.

***Further extend the distribution of our content outside of India to new audiences.***

We currently distribute our content to consumers in more than 50 countries, including in markets where this significant demand for subtitled and dubbed Indian themed entertainment, such as Europe and South East Asia, as well as to markets where there is significant concentration of South Asian expatriates, such as the Middle East, the United States and the United Kingdom.

Our growth from non-Diaspora international markets shows a growing appetite for Bollywood content in many new markets. One of our strongest potential markets, China, with a market size of \$4.8 billion and over 23,600 screens, is projected to soon surpass Hollywood as the largest film market in the world. We believe our memorandum of understanding to collaborate with China Film Corp., Shanghai Film Group Co. Ltd. and Fudan University Press Co. Ltd. to co-produce and distribute Sino-Indian films will be important steps in maximizing our opportunity in China. We intend to promote and distribute our films in additional countries, and further expand in countries where we already distribute, when we believe that demand for Indian filmed entertainment exists or the potential for such demand exists. We have also entered into arrangements with local distributors in Taiwan, Japan, South Korea, and China to distribute dubbed or subtitled Eros films through theatrical release, television broadcast or DVD release. Additionally, we believe that the general population growth in India experienced over recent years will eventually lead to increasing migration of Indians to other regions, resulting in increased demand for our films internationally.

***Increase our distribution of content through digital platforms globally.***

We intend to continue to distribute our content on existing and emerging digital platforms, which includes primarily internet protocol television, or IPTV, video on demand, or VOD, and internet channels.

Our pre-launch phase of Eros Now (soft-launched in August 2012) has over 19 million registered users globally. This increase occurred without an official marketing campaign, which is expected to launch on July 16, 2015 with the latest exclusive movie premieres (pre-television, post-theatrical window), as well as our original shows. Eros Now offers films, music videos, television catch-up shows and original programming either on a free (ad monetized), transactional or premium subscription basis worldwide. Eros Now is currently available over an increasing number of platforms across India, as we recently signed contracts with Asianet Broadband, GTPL and RailTel. The Eros Now platform has also continued to enhance its content offering with catch-up shows now available from Sony and SAB TV, Colours, Zee TV, Hum TV and several other leading television channels. We believe the combination of being an early mover, our unique studio assets, and the high market share of our extensive library positions us to be a leading player in the Indian digital entertainment industry.

We also have an ad-supported YouTube portal site on Google that hosts an extensive collection of clips of our content and has generated 2.8 billion aggregate views and more than 3.8 million free subscribers as of July 2015. In North America, we have an agreement with International Networks, a subsidiary of Comcast, to provide a subscription video on demand, or SVOD, service called "Bollywood Hits On Demand" that is currently carried on Comcast, Cox Communications, Rogers Communication, Cablevision and Time Warner Cable.

***Expand our regional Indian content offerings.***

We will utilize our resources, international reputation and distribution network to continue expanding our non-Hindi content offerings to reach the substantial Indian population whose main language is not Hindi. While Hindi films retain a broad appeal across India, the diversity of languages within India allows us to treat regional language markets as distinct markets where particular regional language films have a strong following. In fiscal 2015, our Tamil and Telugu global releases were six films as compared to eight such films in fiscal 2014.

In addition to Tamil and Telugu, we plan to expand our content for selected regional languages such as Marathi and Bengali. We intend to use our existing distribution network across India to distribute regional language films to specific territories. Where opportunities are available and where we have the rights, we also intend to exploit re-make rights to some of our popular Hindi movies into non-Hindi language content targeted towards these regional audiences.

**Slate Profile**

The success of our film distribution business lies in our ability to acquire content. Each year, we focus on the acquisition and distribution of a diverse portfolio of Indian language and themed films that we believe will have a wide audience appeal. In each of the past three fiscal years, we have released between 65 to 77 films per year, and for fiscal 2015, our releases included 45 new Hindi films, of which three were high budget films, and 19 Tamil and Telugu language films, of which three were high budget films. In addition, we currently have six high budget films scheduled for release for fiscal 2016.

Our typical annual slate of new releases consists of both Hindi language films as well as films produced specifically for audiences whose main language is not Hindi, primarily Tamil, and to a lesser extent other regional Indian languages. Our most expensive films are generally the high and medium budget films (mainly Hindi and a few Tamil and Telugu films) that we release globally each year. Of these Hindi, Tamil and Telugu films, we generally have four to six high budget films. The remainder of the films (mainly Hindi but also Tamil and/or Telugu) included in each annual release slate is built around these high budget films to create a slate that will attract varying segments of the audience, and typically includes five to thirteen medium budget films. The remainder of the slate consists of Hindi, Tamil, Telugu and other language films of a lower budget.

We have maintained our focus on high and medium budget Hindi films because these films typically have better production values and more recognizable stars that typically attract larger theatrical audiences. These high and medium budget films also typically drive higher revenues from television syndication in India. We seek to mitigate the risks associated with these higher budget films through the use of our extensive pre-sale strategies. We have increased our focus on high and medium budget Tamil and Telugu films for similar reasons. In addition, we can release a Tamil and Hindi film on the same date as they cater to different audiences, which allow us to effectively schedule releases for our film portfolio and to take a greater combined share of the box office on those release dates. Our slate contained six high budget Hindi films in fiscal 2013, four high budget films in fiscal 2014 of which three were Hindi and one was Telugu, and six high budget films in fiscal 2015, of which three were Hindi, two Tamil and one was Telugu. Rentrak reports our market share (as an average over the preceding four calendar years to 2014) as 35% of all theatrically released Indian language films in the United Kingdom based on gross collections, including releases by Ayngaran, our majority-owned subsidiary, and 32% in the United States on the same basis, and from 1980 to 2012, we had the highest market share of all theatrically released Indian language films in the United Kingdom based on gross collections.

*Hindi Film Content.* Our typical annual slate of films is comprised of high or medium budget films in the popular comedy and romance genres, supported by lower budget films.

#### Selected Hindi Releases in Fiscal Year 2015 (a)

Film	Cast/(Director)	Production/ Co-production/ Acquisition	Genre	Actual Month of Release
Main Tera Hero	Varun Dhawan, Ileana D'Cruz (David Dhawan)	Acquisition (International only)	Action	April-14
Ek Villain	Siddharth Malhotra, Sharaddha Kapoor (Mohit Suri)	Acquisition (International only)	Action	June-14
Singham Returns	Ajay Devgn, Kareena Kapoor (Rohit Shetty)	Acquisition (International only)	Action	August-14
Mary Kom	Priyanka Chopra (Omung Kumar)	Acquisition (International only)	Action	September-14
Action Jackson	Ajay Devgn, Sonakshi Sinha (Prabhu Dheva)	Acquisition	Action	December-14
Shamitabh	Dhanush, Amitabh Bachchan (R. Balki)	Co-production	Comedy	February-15
Badlapur	Varun Dhawan, Nawazuddin Siddiqui (Sriram Raghavan)	Co-production	Action	February-15
Tevar	Arjun Kapoor, Sonakshi Sinha, Manoj Bajpayee (Amit Sharma)	Acquisition	Action	January-15
NH10	Anushka Sharma (Navdeep Singh)	Co-production	Drama	March-15

(a) The list of films set forth in the table above is not a complete list of all the films released in the period by us and only covers selected Hindi film releases. We released a total of 65 films in fiscal 2015.



*Tamil, Telugu and Other Regional Film Content.* In order to respond to consumer demand for regional films, we have a slate of films produced in languages other than Hindi, such as Tamil, Telugu, Marathi, Kannada and Punjabi.

#### Selected Tamil and Telugu Releases in Fiscal Year 2015 (a)

Film	Cast/(Director)	Production/ Co-production/ Acquisition	Genre	Actual Month of Release
Kochadaiyaan (Tamil)	Rajinikanth, Deepika Padukone (K. S. Ravikumar)	Co-production	Animation/ action	May-14
Aagadu (Telugu)	Mahesh Babu, Tamannaah (Srinu Vaitla)	Co-production	Action	September-14
Kaththi (Tamil)	Vijay, Samantha Ruth Prabhu (A.R. Murugadoss)	Acquisition	Action	October-14
Lingaa (Tamil)	Rajinikanth, Anushka Shetty, Sonakshi Sinha (K.S. Ravikumar)	Acquisition	Action	December-14

(a) The list of films set forth in the table above is not a complete list of all the films released in the period by us and only covers selected Tamil and Telugu film releases. We released a total of 65 films in fiscal 2015.

Our typical annual slate includes between 19 to 30 Tamil films, of which six were global Tamil and Telugu releases in fiscal 2015 compared to eight in fiscal 2014. Tamil films are predominantly star-driven action or comedy films, which appeal to audiences distinct from audiences for more romance-focused Hindi films. Our Tamil language production, acquisition and distribution activities used to be primarily conducted through our majority owned subsidiary, Ayngaran. We have begun to source, distribute and exploit Tamil and Telugu films directly and we hope to scale our presence in the Telugu film market further like we have done in the Tamil film market. We believe that a Tamil or Telugu film and a Hindi film can be released simultaneously on the same date without adversely affecting business for either film as each caters to a different audience. For example, we successfully released *Son of Sardaar* in Hindi and *Thuppakki* in Tamil on the same festive date of Diwali, November 13, 2012.

We believe we can capitalize on the demand for regional films and replicate our success with Tamil and Telugu films for other distinct regional language films, including Marathi, Malayalam and Punjabi. We have begun to source, distribute and exploit Malayalam films with *Life of Josutty* directed by Jithu Joseph set for release in fiscal 2016. In addition, the key Indian release dates for films, during school and other holidays, vary by region and therefore the ability to release films on different holidays in various regions, in addition to being able to release films in different regional languages simultaneously, expands the likely periods in which films can be successfully released. We intend to build up our portfolio of films targeting other regional language markets gradually.



**Selected Major Releases in Fiscal Year 2016(a)**

Film	Cast/(Director)	Co-Production/ Acquisition	Genre	Actual/ Anticipated Quarter of Release
Uttama Villain	Kamal Haasan (Ramesh Aravind)	Acquisition	Drama	Released Q1 FY 2016
Tanu Weds Manu Returns	Kangana Ranaut, R. Madhvan (Anand L. Rai)	Co-production	Comedy	Released Q1 FY 2016
Masss (Tamil)	Suriya, Nayantara, Amy Jackson (Venkat Prabhu)	Acquisition	Action	Released Q1 FY 2016
Bajrangi Bhaijaan	Salman Khan, Kareena Kapoor (Kabir Khan)	Acquisition	Drama	Q2 FY 2016
Rajini Murugan (Tamil)	Sivakarthekeyan (Ponram)	Acquisition	Action	Q2 FY 2016
Welcome Back	Anil Kapoor, John Abraham (Anees Bazmee)	Acquisition	Comedy	Q2 FY 2016
Hero	Sooraj Pancholi, Athiya Shetty (Nikhil Advani)	Acquisition	Romance	Q2 FY 2016
Bajirao Mastani	Ranveer Singh, Deepika Padukone (Sanjay Leela Bhansali)	Co-production	Romance	Q3 FY 2016
Gabbar Singh 2 (Telugu)	Pawan Kalyan (K. S. Ravindra)	Co-production	Action	Q4 FY 2016
24 (Tamil)	Suriya (Vikram Kumar)	Acquisition	Drama	Q4 FY 2016

(a) The list of films set forth in the table above is for illustrative purposes only, is not complete and only includes released and anticipated future releases. Due to the uncertainties involved in the development and production of films, the date of their completion can be significantly delayed, planned talent can change and, in certain circumstances, films can be cancelled or not approved by the Indian Central Board of Film Certification. See “Part I — Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business — Our films are required to be certified in India by the Central Board of Film Certification.”

**Seasonality**

Theater attendance in India has traditionally been highest during school holidays, national holidays and during festivals, and we typically aim to release big-budget films at these times. This timing of releases also takes account of competitor film releases, Indian Premier League cricket matches and the timing dictated by the film production process and as a result, our quarterly results can vary from one year to the next.

**Content Development and Sourcing**

We currently acquire films using two principal methods — by acquiring rights for films produced by others, generally through a license agreement, and by co-producing films with a production house, typically referred to as a banner, that is usually owned by a top Indian actor, director or writer, on a project by project basis. We regularly co-produce and acquire film content from some of the leading banners in India, including Bhansali Productions Pvt. Limited, Illuminati Films, Nadiadwala Grandson Entertainment Pvt. Limited, Excel Entertainment, Salman Khan Ventures Pvt. Limited and Alumbra Entertainment Media Pvt. Limited. Regardless of the acquisition method, over the past five years, we have typically obtained exclusive global distribution rights in all media for a minimum period of five to 20 years from the Indian initial theatrical release date, although the term can vary for certain films for which we may only obtain international or only Indian distribution rights, and occasionally soundtrack or other rights are excluded from the rights acquired. On co-produced films, we typically have exclusive distribution rights for at least 20 years, co-own the copyright in such film in perpetuity and, after the exclusive distribution right period, share control over the further exploitation of the film.

We believe producers bring proposed films to us not only because of established relationships, but also because they want to leverage our proven distribution and marketing capabilities. Our in-house creative team also directly develops film ideas and contracts with writers and directors for development purposes. When we originate a film concept internally, we then approach appropriate banners for co-production. Our in-house creative team also participates in the selection of our slate with other members of our management through our analysis focused on the likelihood of the financial success of each project. Our management is extensively involved in the selection of our high budget films in particular.

Regardless of whether a film will be acquired or co-produced, we determine the likely value to us of the rights to be acquired for each film based on a variety of factors, including the stars cast, director, composer, script, estimated budget, genre, track record of the production house, our relationship with the talent and historical results from comparable films. Our primary focus is on sourcing a diversified portfolio of films expected to generate commercial success. We generally co-produce our high budget films and acquire rights to more medium and low budget films. Our model of acquiring or co-producing films rather than investing in significant in-house production capability allows us to work on more than one production with key talent simultaneously, since the producer or co-producer takes the lead on the time intensive process of production, allowing us to scale our film slate more effectively. The following table summarizes typical terms included in our acquisition and co-production contracts.

	Acquisition	Co-production
Film Cost	Negotiated "market value"	Actual cost of production or capped budget and 10-15% production fee
Rights	6 months-20 years	Exclusive distribution rights for at least 20 years after which Eros shares control over the further exploitation of the film, and co-owned copyright in perpetuity, subject to applicable copyright laws
Payment Terms	10-30% upon signature Balance upon delivery or in installments between signing and delivery	In accordance with film budget and production schedule
Recoupment Waterfall	"Gross" revenues Less 10-20% Eros distribution fee (% of cost or gross revenues) Less print, advertising costs (actuals) Less cost of the film Net revenues generally shared equally	Generally same as Acquisition except sometimes Eros also charges interest and/or a production or financing fee for the cost of capital and overhead recharges

Where we acquire film rights, we pay a negotiated fee based on our assessment of the expected value to us of the completed film. Although the timing of our payment of the negotiated fee for an acquired film to its producer varies, typically we pay the producer between 10% and 30% of a film's negotiated acquisition cost upon signing the acquisition agreement, and the remainder upon delivery of the completed film or in installments paid between signing and delivery. In addition to the negotiated fee, the producer usually receives a share of the film's revenue stream after we recoup a distribution fee on all revenues, the entire negotiated fee and distribution costs, including prints and ads. After we sign an acquisition agreement, we do not exercise any control over the production process, although we do retain complete control over the distribution rights we acquire.

For films that we co-produce, in exchange for our commitment to finance typically 100% of the agreed-upon production budget for the film and agreed budget adjustments, we typically share ownership of the intellectual property rights in perpetuity and secure exclusive global distribution rights for all media for at least 20 years. After we recoup our expenses, we and the co-producers share in the proceeds of the exploitation of the intellectual property rights. Pending determination of the actual production cost of the film, we also agree to a pre-determined production fee to compensate the co-producer for his services, which typically ranges from 10%-15% of the total budget. We typically also provide a share of net revenues to our co-producers. Net revenues generally means gross revenues less our distribution fee, distribution cost and the entire amount we have paid as committed financing for production of the film. Our distribution fee varies from co-produced film to co-produced film, but is generally either a continuing 10% to 20% fee on all revenues, or a capped amount that is calculated as a percentage of the committed financing amount for production of the film. In some cases, net revenues also deduct an overhead charge and an amount representing an interest charge on some or all of the committed financing amount. Typically, once we agree with the co-producer on the script, cast and main crew including the director, the budget and expected cash flow through a detailed shooting schedule, the co-producer takes the lead in production and execution. We normally have our executive producer on the film to oversee the project.

We reduce financing risk for both acquired and co-produced films by capping our obligation to pay or advance funds at an agreed-upon amount or budgeted amount. We also frequently reduce financial risk on a film to which we have committed funds by pre-selling rights in that film.

Pre-sales give us advance information about likely cash flows from that particular film product, and accelerate cash flow realizable from that product. Our most common pre-sale transactions are the following:

- pre-selling theatrical rights for certain geographic areas, such as theaters outside the main theater circuits in India or certain non-Indian territories, for which we generally get nonrefundable minimum guarantees plus a share of revenues above a specified threshold;

- pre-selling television rights in India, generally by bundling releases in a package that is licensed to satellite television operators for a specified run; and
- pre-selling certain music rights, including for movie soundtracks and ringtones.

From time to time we also acquire specific rights to films that have already been released theatrically. We typically do not acquire global all-media rights to such films, but instead license limited rights to distribution channels, like television, audio and home entertainment only, or rights within a certain geographic area. As additional rights to these films become available, we frequently seek to license them as well, and our package of distribution rights in a particular film may therefore vary over time. We work with producers not only to acquire or co-produce new films, but also to license from them other rights they hold that would supplement rights we hold or have previously held related to older films in our library. In certain cases, we may not hold full sequel or re-make rights or may share these rights with our co-producers.

#### ***Our Film Library***

We currently own or license rights to films currently comprising over 3,000 titles. Of these titles, over 700 films comprise a library of Kannada films for which we have only digital rights. Our film library has been built up over more than 30 years and includes hits from across that time period, including *Devdas*, *Hum Dil De Chuke Sanam*, *Lage Raho Munna Bhai*, *Om Shanti Om*, *Viki Donor*, *English Vinglish*, *Goliyon Ki Raasleela: Ram-Leela* and *Tanu Weds Manu Returns*. We have acquired most of our film content through fixed term contracts with third parties, which may be subject to expiration or early termination. We own the rights to the rest of our film content as co-producers or, with respect to one film, sole producer of those films. Through such acquisition and co-production arrangements, we seek to acquire rights to 60-70 additional films each year. While we typically hold rights to exploit our content through various distribution channels, including theatrical, television and new media formats, we may not acquire rights to all distribution channels for our films. In particular, we do not own or license the music rights to a majority of the films in our library. We expect to maintain more than half of the rights we presently own through at least March 31, 2020.

In an effort to reach a wide range of audiences, we maintain rights to a diverse portfolio of films spanning various genres, generations and languages. More than half of our library is comprised of films first released ten or more years ago, including films released as early as the 1940s. We own or license rights to films produced in several regional languages, including Tamil, Telugu, Kannada, Marathi and Punjabi.

We treat our new releases as part of our film library one year from the date of their initial theatrical release. We believe our extensive film library provides us with unique opportunities for content exploitation, such as our dedicated Eros content channel carried by various cable companies outside India. Our extensive film library provides us with a reliable source of recurring cash flow after the theatrical release period for a film has ended. In addition, because our film library is large and diversified, we believe that we can more effectively leverage our library in many circumstances by licensing not just single films but multiple films.

A summary of certain key features of our film library rights as of March 31, 2015 follows below.

	Hindi Films	Regional Language Films (excluding Kannada films)	Kannada Films
Approximate percentage of total library	36%	45%	19%
Approximate percentage of co-production films	1%	Less than 1%	Not applicable
Minimum remaining term of exclusive distribution rights for total films (approximate percentage of rights expiring at the earliest in the periods indicated)	2020 or earlier: 25% 2021-2025: 50% 2026-2030: 9% 2031-2045: 3% Perpetual rights, subject to applicable copyright law limitations: 13%	2020 or earlier: 4% 2021-2025: 28% 2026-2030: 0% 2031-2045: 3% Perpetual rights, subject to applicable copyright law limitations: 66%	Not applicable
Remaining term of exclusive distribution rights for co-production (approximate percentage of rights expiring earliest in the periods indicated)	2020 or earlier: 6% 2021-2025: 0% 2026-2030: 0% 2031-2045: 4% Perpetual rights, subject to applicable copyright law limitations: 89%	Perpetual rights, subject to applicable copyright law limitations: 100%	Perpetual rights, subject to applicable copyright law limitations: 100%
Date of first release (by Eros or prior rights owner)	1943-2015	1958-2015	*
Rights in major distribution channels	Theatrical: 34% Television syndication: 34% Digital: 76%	Theatrical: 47% Television syndication: 66% Digital: 65%	Digital: 100%
Music Rights (approximate percentage of films)	23%	26%	0%
Production Years (approximate percentage of films produced in the periods indicated)	1943-1965: 3% 1966-1990: 15% 1991-2015: 81%	1943-1965: 0% 1966-1990: 2% 1991-2015: 98%	*

(\*) Our Kannada digital rights library was acquired in September 2010, subsequent to the production and date of first release for these films, and consequently this information is not in our records.

“High budget” films refer to Hindi films with direct production costs in excess of \$8.5 million and Tamil and Telugu films with direct production costs in excess of \$7.0 million, in each case translated at the historical average exchange rate for the applicable fiscal year. “Low budget” films refer to both Hindi, Tamil and Telugu films with less than \$1.0 million in direct production costs, in each case translated at the historical average exchange rate for the applicable fiscal year. “Medium budget” films refer to Hindi, Tamil and Telugu films within the remaining range of direct production costs.

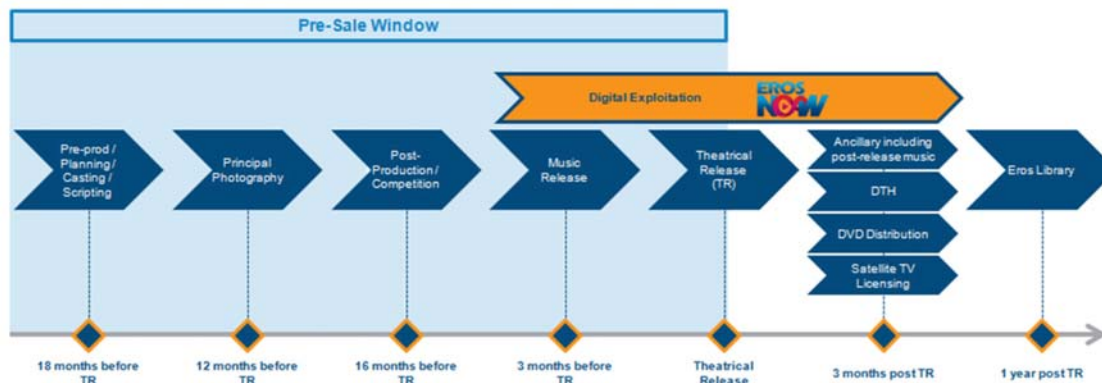
#### ***Distribution Network and Channels***

We distribute film content primarily through the following distribution channels:

- **theatrical**, which includes multiplex chains and stand-alone theaters;
- **television syndication**, which includes satellite television broadcasting, cable television and terrestrial television; and
- **digital**, which primarily includes IPTV, VOD and internet channels.

We generally monetize each new film we release through an initial twelve month revenue cycle commencing after the film’s theatrical release date. Thereafter, the film becomes part of our film library where we seek to continue to monetize the content through various platforms. The diagram below illustrates a typical distribution timeline through the first twelve months following theatrical release of one of our films.

### Film release first cycle timeline



We currently acquire films both for global distribution, which includes the Indian domestic market as well as international markets and for international distribution only.

Certain information regarding our initial distribution rights to films initially released in the three fiscal years ended March 31, 2015, 2014 and 2013 is set forth below:

	Year ended March 31,		
	2015	2014	2013
<b>Global (India and International)</b>			
Hindi films	30	23	16
Regional films (excluding Tamil films)	—	3	3
Tamil films	6	8	3
<b>International Only</b>			
Hindi films	15	14	14
Regional films (excluding Tamil films)	1	—	—
Tamil films	13	21	38
<b>India Only</b>			
Hindi films	—	—	—
Regional films (excluding Tamil films)	—	—	—
Tamil films	—	—	3
<b>Total</b>	<b>65</b>	<b>69</b>	<b>77</b>

We distribute content in over 50 countries through our own offices located in key strategic locations across the globe, including separate offices maintained by Ayngaran for distribution of Tamil films that we do not distribute directly, and through our distribution partners. In response to Indian cinemas' continued growth in popularity across the world, especially in non-English speaking markets, including Germany, Poland, Russia, Southeast Asia and Arabic speaking countries, we offer dubbed and/or subtitled content in over 25 different languages. We have recently entered into co-production deals with three Chinese film companies. In addition to our internal distribution resources, our global distribution network includes relationships with distribution partners, sub-distributors, producers, directors and prominent figures within the Indian film industry and distribution arena.

#### Theatrical Distribution and Marketing

*Indian Theatrical Distribution.* The Indian theatrical market is comprised of both multiplex and single screen theaters that utilize both prints and in some cases, digital formats and is divided into six circuits. We distribute our content in all of the circuits through our internal distribution offices in Mumbai, Delhi and Punjab or through sub-distributors in other circuits. Our primarily internal distribution network allows us greater control, transparency and flexibility over the core regions in which we distribute our films, and allows us to retain a greater portion of revenues per picture as a result of direct exploitation instead of using sub-distributors, which requires the payment of additional fees or commissions.

The largest number of screens in India that we book for a particular film will be booked for the first week of theatrical release, because a substantial portion of box office revenues are collected in the first week of a film's theatrical exhibition. We entered into agreements with certain key multiplex operators to share net box office collections for our theatrical releases with the exhibitor for a predetermined fee of 50% of net box office collections for the first week, after which the split decreases over time. These agreements expired in June 2011, and we now enter into agreements on a film-by-film and exhibitor-by-exhibitor basis instead of entering into long-term agreements. To date, our film-by-film agreements have been on terms that are no less favorable than the terms of the prior settlement agreements; however, we cannot guarantee such terms can always be obtained.

For highly anticipated new releases, we typically also receive an advance payment from multiplex operators which is credited against the predetermined fee, and we typically obtain non-refundable minimum guarantees from single screen exhibitors and agree to a revenue sharing arrangements above the minimum guarantee.

The broad theatrical distribution during the first week after initial release of a film requires that a significant number of prints be made available at the outset of the theatrical run.

As the Indian film industry is moving towards digital film distribution, we are increasing our focus on this opportunity which we anticipate will continue to reduce our distribution and print production costs. In India, the cost of distributing a digital film print is lower than the cost of distributing a digital film print in the United States. The cost of producing a digital film print is lower than the cost of producing a physical film print. Utilization of digital film media also provides additional protection against unauthorized copying, which enables us to capture incremental revenue that we believe are at risk of loss through content piracy.

Pursuant to the Cinematograph Act, Indian films must be certified for adult viewing or general viewing by the Central Board of Film Certification, or CBFC, which looks at factors such as the interest of sovereignty, integrity and security of India, friendly relations with foreign states, public order and morality. Obtaining a desired certification may require us to modify the title, content, characters, storylines, themes or concepts of a given film.

*Theatrical Distribution Outside India.* Outside India, we distribute our films theatrically through our offices in Dubai, Singapore, the U.S., the United Kingdom, Australia and Fiji and through sub-distributors. In our international markets, instead of focusing on wide releases, we select a smaller number of theaters that play films targeted at the expatriate South Asian population or the growing international audiences for Indian films. We generally theatrically release subtitled versions of our films internationally on the release date in India, and dubbed versions of films in countries outside India 12-24 weeks after their initial theatrical release in India.

*Marketing.* The pre-release marketing of a film is an integral part of our theatrical distribution strategy. Our marketing team creates marketing campaigns tailored to market and movie, utilizing print, brand tie-ups, music pre-releases, outdoor advertising, social media marketing on Facebook and Twitter and online advertising to generate momentum for the release of a film. We generally begin print media public relations as soon as a film commences shooting, with full marketing efforts commencing two to three months in advance of a film's release date, starting with a theatrical trailer for the film promoted as part of another film currently playing in theaters. In addition, usually between six to eight weeks before the initial Indian theatrical release date, we separately release clips from the films featuring musical numbers. Those clips and the accompanying music tracks are separately available for purchase and add to consumer awareness and anticipation of the upcoming film release. We also maintain a Facebook page, which supplies background detail, chat opportunities and photos of upcoming films as well as links to our YouTube content.

We also use promotional agreements and integrated television marketing to subsidize marketing costs and expand our marketing reach. We partner with leading consumer companies in India which support our marketing campaigns in exchange for including their brands in promotional billboards, print ads and other marketing materials for our new film releases. Our marketing teams also work with our film stars to coordinate promotional appearances on popular television programming, timed to coincide with the marketing period for upcoming theatrical releases.

Our marketing efforts are primarily managed by employees located in offices across India or in one of our international offices in Dubai, Singapore, the United States, the United Kingdom, Australia and Fiji. Occasionally, sub-distributors manage marketing efforts in regions that do not have a dedicated Eros or Ayngaran marketing team, using the creative aspects developed by us for our marketing campaigns. Managing marketing locally permits us to more easily identify appropriate local advertising channels and results in more effective and efficient marketing.

#### **Television Distribution**

*India Distribution.* We believe that the increasing television audience in India creates new opportunities for us to license our film content, and expands audience recognition of the Eros name and film products. We license Indian film content (usually a combination of new releases and existing films in our library), to satellite television broadcasters operating in India under agreements that generally allow them to telecast a film over a stated period of time in exchange for a specified license fee. We have, directly or indirectly, licensed content for major Indian television channels such as Colours, Sony, the Star Network and Zee TV.

There are several models for satellite television syndication in India. In the “syndication model,” a group of channels share the broadcast of a specified set of films between them in a certain order and pay us separate license fees. In the alternative “licensing model,” which is currently the predominant model in India, we grant an exclusive license in favor of one particular channel for broadcast on its channels for a specified period of time. In fiscal 2012, we negotiated terms with Sahara One Media and Entertainment Limited for broadcast on their general entertainment channel that entitle us to additional license fees based on box office performance, over and above the minimum guarantee license fee. Regardless of the model, following the first cycle license period, we seek to continue to license the content for the subsequent cycles.

Television pre-sales in India are an important factor in enhancing revenue predictability for our business. Where we do pre-sales, we negotiate a set license fee which is payable over time with the last payment due on delivery of the film. We released six high budget films in fiscal 2015 out of which three were Hindi, two were Tamil and one was Telugu. In the case of the Telugu film, we recouped 100% of our direct production cost through contractual commitments prior to the film’s release and in the case of the two Tamil films we recouped 91% and 95% respectively. In the case of one Hindi film we recouped 63% of the direct production cost through pre-sales. In the case of the remaining two Hindi high budget films released in the third and fourth quarter of fiscal 2015, we did not pre-sell our television rights in order to be able to premiere the films on Eros Now in July 2015 to coincide with the marketing launch of Eros Now prior to the television window. We currently expect to resume television pre-sales of our high budget Hindi films like in past years, even though some of these films will continue to premiere on Eros Now prior to airing on television. In fiscal 2014, we recouped 43% to 73% of our production cost of high budget Hindi films and over a 100% of our production cost of high budget Tamil and Telugu films through pre-sales contractual commitments.

From time to time, we also sell television syndication rights indirectly through companies that aggregate television rights for resale. While a large part of our revenues came from such licensing of television rights through aggregators in fiscal 2013, in 2014 and 2015 we moved away from using aggregators and entered into direct licensing agreements with Viacom 18 Media Private Limited (Colors), and Multiscreen Media Private Limited (Sony) that covered a number of new, forthcoming and library titles.

Our content is typically released on satellite television three to six months after the initial theatrical release. In India there are currently six direct to home, or DTH, providers. We have offered some of our films through DTH service providers, but we have also licensed these rights with the satellite TV rights to satellite channel providers. As the number of DTH subscribers increase in India, we anticipate that we will have an opportunity to license directly for DTH exploitation. We have also provided content to regional cable operators. Although DTH distribution is still relatively small in India, with Indian telecom networks and DTH platforms expanding their services, we are beginning to see an increased interest for video on demand in India. We also sub-license some of our films for broadcast on Doordarshan, the sole terrestrial television broadcast network, which is government owned. The Indian cable system is currently highly fragmented and predominantly an analog platform, although there are companies that are leading the cable digitization and consolidation such as DEN and Hathway. While local cable operators are unwilling and unable to pay standard licensing rates for our content, and cable television licensing has not been a material source of revenue for us, we are beginning to see early signs of growth in cable television licensing. We believe that as the cable industry migrates towards digital technology and moves toward consolidation, cable television licensing will represent a more significant revenue stream for our business.

*International Distribution.* Outside of India, we license Indian film content for broadcasting on major channels and platforms around the world, such as Channel 4 and SBS Australia. We also license dubbed content to Europe, Arabic-speaking countries and in Southeast Asia and other parts of the world. Often such licenses include not just new releases, but films grouped around the same star, director or genre. International pre-sales of television, music and other distribution rights are a significant component of our overall pre-sale strategy. We believe that our international distribution capabilities and large library of content enable us to generate a larger portion of our revenue through international distribution than the film entertainment industry average of 7% in India as reported by the FICCI Report 2015.

#### ***Digital Distribution***

In addition to our theatrical and television distribution networks, we have a global network for the digital distribution of our content, which consists of full length films, music, music videos, clips and other video content. Through our digital distribution channel we distribute content primarily in IPTV, VOD (including SVOD and DTH) and online internet channels. Our film content is distributed in original language, subtitled into local languages or dubbed, in each case as driven by consumer or regional market preferences. With our large library of content and slate of new releases, we have sought to capitalize on changes in consumer demand through early adoption of new formats and services, which we believe enables us to generate a larger portion of our revenue through digital distribution than the film entertainment industry average in India.

With a significant portion of the Indian and international population rapidly moving toward digital technology, we are increasing our focus on providing on demand services, although the platforms and strategies differ by region. Under current Indian law, the Indian cable providers are required to transfer from analog to digital formats by December 31, 2015. Outside of India, there is a proliferation of cable, satellite and internet services that we supply. In addition, with the proliferation of internet users, we are increasing our online distribution presence as well. These platforms enable us to continue to monetize a film in our library long after its theatrical release period has ended. In addition, the speed, ease of availability and prices of digital film distribution diminish incentives for unauthorized copying and content piracy.



In order to capitalize on emerging trends like growing Internet usage, increased broadband internet penetration and availability of faster 3G/4G mobile networks, in August 2012, we soft-launched Eros Now, our on-demand entertainment portal accessible via internet-enabled devices, with a limited number of movies and music videos. Our pre-launch phase of Eros Now has continued through June 2015, and has registered 19 million users globally. This increase occurred without an official marketing campaign, which is expected to launch on July 16, 2015 with the latest exclusive movie premieres (pre-television, post-theatrical window), as well as our original shows. Eros Now offers films, music videos, television catch-up shows and original programming either on a free (ad monetized), transactional or premium subscription basis worldwide. We expect that Eros Now, which is already accessible via tablets such as the iPad and Android devices, will eventually include our full film library. Eros Now is currently available over an increasing number of platforms across India, as we recently signed contracts with Asianet Broadband, GPL and RailTel. The Eros Now platform has also continued to enhance its content offering with catch-up shows now available from Sony and SAB TV, Colours, Zee TV, Hum TV and several other leading television channels.

The premium service will allow subscribers greater access to ad-free media content from multiple devices in addition to playback options. We believe that Eros Now will serve as a platform to further exploit our extensive library content, as well as increase the depth and penetration of our user base. In the future, we believe the combination of this digital distribution platform, coupled with our film library, will offer a comprehensive and attractive outlet for advertisers. We believe the combination of being an early mover, our unique studio assets, and the high market share of our extensive library positions us to be a leading player in the Indian digital entertainment industry.

In February 2015 we executed a definitive agreement to acquire a controlling stake in Techzone, a Mobile Value Added Services ("MVAS") provider for telecom operators based in India, for an undisclosed sum. This acquisition is subject to certain conditions precedent apart from customary legal, regulatory and financial requirements.

Techzone is an aggregator, developer and distributor of entertainment content via mobile platforms in India. Techzone is particularly focused on the Bollywood films and music markets and has significant region-specific content in Tamil and Telugu. The company has relationships and billing integration with major telecom networks in India to distribute its content and also has its own "Mobile Shortcode" 56060. Techzone makes its content available to end-users via various methods such as caller ring-back tones (CRBT), mobile radio, short message service (SMS), wireless application protocol (WAP) and interactive voice response (IVR).

Techzone has completed an average of 25 million SMS, WAP or IVR transactions per month over the past three years across 12 major telecom operators in India for which it bills the customers directly through its billing platform. This excludes CRBT transactions which are also marketed and distributed by Techzone but billed by the telecom operators directly. In a given month, a single customer may engage in multiple transactions.

With 944 million mobile subscribers (including over 60 million internet enabled smart phones) in India in 2014, we believe that Techzone will be a strong addition to our Eros Now strategy to increase distribution of content through digital platforms.

In North America, we have an agreement with International Networks, a subsidiary of Comcast, to provide a SVOD service called "*Bollywood Hits On Demand*." The service is now carried on Comcast, Cox Communications, Rogers Communication, Cablevision and Time Warner Cable. We provide all programming for this film and music channel, and we share revenues with the cable provider. We also provide content to other VOD service providers, including Pan Universe International and Efacet Enterprises Limited.

We currently supply internet streaming ad-supported sites such as our Eros channel on YouTube with short form film and audio visual content and our own [www.erosentertainment.com](http://www.erosentertainment.com) website (information contained on our website is not a part of, and is not incorporated by reference into, this annual report). On YouTube, where we have exceeded 2.8 billion views to date since our launch in 2007 and have over 3.8 million free subscribers as of July 2015, we sell banner and pre-roll advertisements, and share these advertising revenues with Google.

#### ***Physical and Other Distribution***

We also distribute globally our film content through physical formats (DVDs and Video Compact Discs, or VCDs), in hotels and on airlines, and for use on mobile networks. We distribute and license content on physical media throughout the world, including on Blu-ray and DVDs, and in India on VCD and DVD. In India, and to service South Asian consumers internationally, we distribute to major retail chains (such as Planet-M) and internet platforms such as Amazon, as well as supplying local wholesalers and retailers. We also license content to third party distributors internationally to provide content dubbed into local languages for consumption by non-South Asian audiences. We also have direct sales to corporate customers, primarily in India, who bundle our DVDs or VCDs with their own products for promotional purposes. This aspect of our business works on a volume basis, with the low margins being offset by large confirmed orders. We have provided content for various mobile platforms such as Singtel and Shotformats Digital Productions.

#### ***Music***

Music is integral to our films, and when we obtain global, all-media rights in our acquired or co-produced films music rights typically are included. Film music rights are often marketed and monetized separate from the underlying film, both before and after the release of the related films. In addition, we act as a music publisher for third party owned music rights within India. Through our internal resources and network of licensees, we are able to provide our consumers with music content directly, through third party platforms or through licensing deals. The content is primarily taken from our film content and the revenues are derived from mobile rights, MP3 tracks, sold via third party platforms such as iTunes and Rhapsody as well as streaming services such as Spotify and Rdio, digital streaming, physical CDs and publishing/master rights licensing.



We also exploit the music publishing and master rights we own, which involves directly licensing songs to radio and television channels in India, synchronizing of music content to film, television and advertisers globally, as well as receiving royalties from public performance of these songs when they are played at public events. Ancillary revenues from public performances in India are collected and paid over to us through Phonographic Performance Limited and The Indian Performing Rights Society, which monitor, collect and distribute royalties to their members.

#### ***B4U***

As of March 31, 2015, we owned approximately 24% of LMB Holdings Limited (“B4U”). We have no board representation, no involvement in policy decision making, we do not provide input in respect to technical know-how and have no material contract with B4U. As a result we do not exercise significant influence over it. B4U is a global television network that provides Indian programming across two digital television channels, B4U Music and B4U Movies. B4U is available in many countries around the world including India, the United States, United Kingdom, Canada and countries in the Middle East and Africa.

#### ***Valuable Technologies Limited***

As of March 31, 2015, we owned 7.21% of Valuable Technologies Limited, or Valuable. Valuable manages and operates a number of companies in the media and entertainment, technology and infrastructure industries, including UFO Moviez, a digital cinema network in India; Boxtech, a division that provides technology backed service support for digital movie rentals; and ImPACT, a settlement platform for computerized theatrical ticketing and sales data. In May 2015, UFO Moviez completed its initial public offering in India on BSE Limited and National Stock Exchange of India Limited.

#### ***Intellectual Property***

As our revenue is primarily generated from commercial exploitation of our films and related content, our intellectual property rights are a critical component of our business. Unauthorized use of intellectual property, particularly piracy of DVDs and CDs, as well as on-line piracy through unauthorized downloads, is widespread in India and other countries, and the mechanisms for protecting intellectual property rights in India and such other countries are not as effective as those of the United States and certain other countries. We participate directly and through industry organizations in actions against persons who have illegally pirated our content, and we also deal with piracy by promoting a film to ensure maximum revenues early in its release and shortening the period between the theatrical release of a film and its legitimate availability on DVD and VCD. This is supported by the trend in the Indian market for a significant percentage of a film’s box office receipts to be generated in the first few weeks after release. Rapid transition of consumer preference from physical to digital modes of consumption of film and related content via on-line, mobile and digital platforms has enabled our Eros Now business to grow, but this business faces competition from sites offering unauthorized pirated content.

The Indian Copyright Act, 1957, or the Copyright Act, provides for registration of copyrights, transfer of ownership and licensing of copyrights and infringement of copyrights and remedies available in that respect. The Copyright Act affords copyright protection to cinematographic films and sound recordings. For cinematographic films, copyright is granted for a certain period of time, usually for a period of 60 years from the beginning of the calendar year following the year in which such film is published, subsequent to which the work falls in the public domain and any act of reproduction of the work by any person other than the author would not amount to infringement.

Following the issuance of the International Copyright Order, 1999, subject to certain conditions and exceptions, certain provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization, the Berne Convention and the Universal Copyright Convention.

The Copyright Act was amended in 2012 to allow authors of literary and musical works (which may be included as part of a cinematograph film) to retain the right to receive royalty for the utilization of such work (other than as part of the cinematograph film).

Although the state governments in India serve as the enforcing authorities of the Copyright Act, the Indian government serves an advisory role in assisting with enforcement of anti-piracy measures. In December 2009, the Union Information & Broadcasting Ministry established a task force to recommend measures to combat film, video and cable piracy, which submitted recommendations in September 2010, including:

- as a condition to licenses being granted to theaters and multiplexes by district authorities, theater and multiplex operators should be required to prohibit viewers from carrying a cam-cording device inside the theater;
- encouraging state governments to enact legislation providing for preventive detention of video and audio pirates and bring video pirates under the Goonda Act; and
- undertaking measures to ensure high fidelity in genuine DVDs to discourage the public from buying pirated versions.

However, these are recommendations of the task force, and there can be no assurance that any of these recommendations will be accepted and become binding law or regulation in a timely manner, or at all.

While copyright registration is not a prerequisite for acquiring or enforcing such rights, registration creates a presumption favoring the ownership of the right by the registered owner. Registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Neither we nor our Indian subsidiaries currently have any registered copyrights in India. The registration of certain types of trademark is prohibited, including where the property sought to be registered is not distinctive.

We use a number of trademarks in our business, all of which are owned by our subsidiaries. Our Indian subsidiaries currently own over 50 Indian registered trademarks and domain names, which are used in their business, including the registered trademark “Eros,” “Eros International,” “Eros Music,” and “B on Demand.” However, we have not yet received Indian trademark registration for certain of our trademarks used in India. A majority of these registrations, and certain applications for registrations, are in the name of our subsidiaries Eros India, Eros Films or Eros Digital Private Limited, with whom we have an informal arrangement with respect to the use of such trademarks. The registration of any trademark in India is a time-consuming process, and there can be no assurance that any such registration will be granted.

The Indian Trade Marks Act, 1999, or the Trademarks Act, governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. The registration of a trademark is valid for a period of ten years but can be renewed in accordance with the specified procedure.

Until recently, to obtain registration of a trademark in multiple countries, an applicant was required to make separate applications in different languages and disburse different fees in the respective countries. However, the Madrid Protocol enables nationals of member countries, including India, to secure protection of trademarks by filing a single application with one fee and in one language in their country of origin. The Trademarks Act was amended by the Trade Marks (Amendment) Act 2010, or the Trademarks Amendment Act. The Trademarks Amendment Act empowers the Registrar of Trade Marks to deal with international applications originating from India as well as those received from the International Bureau and to maintain a record of international registrations. This amendment also removes the discretion of the registrar to extend the time for filing a notice of opposition of published applications and provides for a uniform time limit of four months in all cases. Further, it simplifies the law relating to transfer of ownership of trademarks by assignment or transmission and brings the law generally in line with international practice. Pursuant to the Madrid Protocol and the Trademarks Act, we have obtained trademarks in Egypt, the European Community, United Arab Emirates, Australia and the United States.

The remedies available in the event of infringement under the Copyright Act and the Trademarks Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing materials to the owner of the right, as well as criminal remedies including imprisonment of the accused and the imposition of fines and seizure of infringing materials.

### **Competition**

The Indian film industry’s rapid growth is changing the competitive landscape. We believe we were one of the first companies in India to create an integrated business of sourcing new Indian film content through co-productions and acquisitions while building a valuable library of rights in existing content and also distributing Indian film content globally across formats.

Some of our direct competitors, such as The Walt Disney Company (“Disney”), 20th Century Fox Pictures and Viacom Studio 18, have moved toward similar models in addition to their other business lines within the Indian entertainment industry. We also face competition from the direct or indirect presence in India of significant global media companies, including the major Hollywood studios. Disney has acquired 100% of UTV and Viacom has ownership interests in Viacom Studio 18, while other Hollywood studios, such as News Corporation and Sony, have established local operations in India for film distribution, and have released a limited number of Indian films. Our primary competitors for Indian film content in the markets outside of India are UTV, Fox, Viacom and Yash Raj Films. We believe our experience and understanding of the Indian film market positions us well to compete with new and existing entrants to the Indian media and entertainment sector. Rentrak reported our market share (as an average over the preceding four calendar years to 2014) as 35% of all theatrically released Indian language films in the United Kingdom, based on gross collections — including releases by Ayngaran, our majority-owned subsidiary, and 32% in the United States on the same basis, and from 1980 to 2012 we had the highest market share of all theatrically released Indian language films in the United Kingdom based on gross collections. Competition within the industry is based on relationships, distribution capabilities, reputation for quality and brand recognition.

### **Our Film Library**

We currently own or license rights to films currently comprising over 3,000 titles. Of these titles, over 700 films comprise a library of Kannada films for which we have only digital rights. Our film library has been built up over more than 30 years and includes hits from across that time period, including *Devdas*, *Hum Dil De Chuke Sanam*, *Lage Raho Munna Bhai*, *Om Shanti Om* and *Goliyon Ki Raasleela: Ram-Leela*. We have acquired most of our film content through fixed term contracts with third parties, which may be subject to expiration or early termination.

We own the rights to the rest of our film content as co-producers or, with respect to one film, sole producer of those films. Through such acquisition and co-production arrangements, we seek to acquire rights to at least 70 additional films each year. While we typically hold rights to exploit our content through various distribution channels, including theatrical, television and new media formats, we may not acquire rights to all distribution channels for our films. In particular, we do not own or license the music rights to a majority of the films in our library. We expect to maintain more than half of the rights we presently own through at least March 31, 2020.

In an effort to reach a wide range of audiences, we maintain rights to a diverse portfolio of films spanning various genres, generations and languages. More than half of our library is comprised of films first released ten or more years ago, including films released as early as the 1940s. We own or license rights to films produced in several regional languages, including Tamil, Kannada, Marathi, Telugu and Punjabi.

We treat our new releases as part of our film library one year from the date of their initial theatrical release. We believe our extensive film library provides us with unique opportunities for content exploitation, such as our dedicated Eros content channel carried by various cable companies outside India. Our extensive film library provides us with a reliable source of recurring cash flow after the theatrical release period for a film has ended. In addition, because our film library is large and diversified, we believe that we can more effectively leverage our library in many circumstances by licensing not just single films but multiple films.

### **Litigation**

From time to time, we and our subsidiaries are involved in various lawsuits and legal proceedings that arise in the ordinary course of business. The following discussion summarizes examples of such matters. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of these matters will not have a material adverse effect on our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Eros India and its subsidiaries are involved in ordinary course government tax audits and assessments, which typically include assessment orders for previous tax years including on account of disallowance of certain claimed deductions.

During the year ended March 2015, Eros received two notices from the Commissioner of Service Tax (India) to show cause why an amount aggregating to \$31 million for the period April 1, 2009 to March 31, 2014 should not be levied on and paid on account of service tax arising on temporary transfer of copyright services and certain other related matters. Eros has filed its objections against the notice with the authorities. Subsequently in June 2015, Eros received assessment orders from the Commissioner of Service Tax (India) levying tax as stated above and ordering Eros to pay an additional amount of \$31 million as interest and penalties in connection with the aforesaid matters. Considering the facts and nature of levies and the ad-interim protection for service tax levy for a certain period granted by the Honorable High Court of Mumbai, the Group expects that the final outcome of this matter will be favorable. Accordingly, based on the assessment made after taking appropriate legal advice, no additional liability has been recorded in Group's consolidated financial statements.

During the year ended March 2015, Eros also received several assessment orders and demand notices from value added tax and sales tax authorities in India for the payment of amounts aggregating to \$3 million (including interest and penalties) for certain fiscal years between April 1, 2005 and March 31, 2011. Eros has appealed against each of these orders, and such appeals are pending before relevant tax authorities. Though there uncertainties are inherent in the final outcome of these matters, the Company believes, based on assessment made after taking legal advice, that the final outcome of the matters will be favorable. Accordingly, no additional liability has been recorded in Group's consolidated financial statements.

Eros is also named in various lawsuits challenging its ownership of some of its intellectual property or its ability to distribute these films in India. A number of these lawsuits seek injunctive relief restraining Eros from releasing or otherwise exploiting various films, including *Om Shanti Om*, *Anjaana Anjaani*, *Kochadaiiyaan*, *Bhoot Returns* and *Goliyon Ki Rasleela-Ram-leela*. While the lawsuits continue, the films have all been released.

Unlike in the United States, in India, private citizens are permitted to initiate criminal complaints against companies and other individuals. Eros and certain executives have been named in certain criminal complaints from time to time.

If, as a result of such complaints, criminal proceedings are initiated by the relevant authorities in India and the Company or any of its executives are found guilty in such criminal proceedings, our executives could be subject to imprisonment as well as monetary penalties. We believe the claims brought to date are without merit and we intend to defend them vigorously.

For instance, in relation to the film *Goliyon Ki Rasleela-Ram-leela*, certain civil and criminal proceedings had been initiated in various local courts in India in and around November 2013, including arrest warrants against Mr. Kishore Lulla and others involved in the making of this film, alleging that this film disrespected religious sensibilities and seeking to restrain its release or seeking directions for a review of its film certification. We have contested such claims in the local courts as well as by way of petitions filed by us before the Supreme Court of India. While hearings or investigations continue in some of these proceedings, we have obtained interim orders in our favor from the Supreme Court of India as well as certain of the local courts where such proceedings are being heard, including stays on all criminal proceedings against Eros India, Mr. Kishore Lulla and other persons involved in the making of the film. This film was released in November 2013.

#### **Government Regulations**

The following description is a summary of various sector-specific laws and regulations applicable to Eros.

#### **Material Isle of Man Regulations**

**Companies Regime.** The Isle of Man is an internally self-governing dependent territory of the British Crown. It is politically and constitutionally separate from the United Kingdom and has its own legal system and jurisprudence based on English common law principles.

Isle of Man company law is largely based on that of England and Wales. There are two separate codes of company law, embodied in the Companies Acts of 1931-2004 (commonly referred to as the 1931 Act as the principal Act is the Companies Act 1931) and the Companies Act 2006 (commonly referred to as the 2006 Act), respectively. Our company was incorporated on March 31, 2006 under the 1931 Act. Effective September 29, 2011, it re-registered as a company incorporated under the 2006 Act.

The 2006 Act updates and modernizes Isle of Man company law by introducing a new simplified corporate vehicle into Isle of Man law. The new corporate vehicle follows the international business company model available in a number of other jurisdictions. Companies incorporated or re-registered under the 2006 Act are governed solely by its provisions and, except in relation to liquidation and receivership, are not subject to the provisions of the 1931 Act.

The following are some of the key characteristics of companies incorporated under the 2006 Act:

**Share Capital.** Under the 2006 Act, there is no longer the concept of authorized capital. Therefore, shares may be issued with or without par value.

**Dividends, Redemptions and Buy-Backs.** Subject to compliance with the memorandum and articles of association, the 2006 Act allows a company to declare and pay dividends, and to purchase, redeem or otherwise acquire its own shares subject only to meeting a solvency test set out in the 2006 Act. A company satisfies the solvency test if: (i) it is able to pay its debts as they become due in the normal course of business; and (ii) the value of the company's assets exceeds the value of its liabilities.

**Capacity and Powers.** Companies incorporated under the 2006 Act have separate legal personality and perpetual existence. In addition, such companies have unlimited capacity to carry on or undertake any business or activity; this is so regardless of corporate benefit and regardless of whether or not it is in the best interests of the company to do so.

The 2006 Act specifically states that no corporate act is beyond the capacity of a company incorporated under the 2006 Act by reason only of the fact that the relevant company has purported to restrict its capacity in any way in its memorandum or articles or otherwise. A person who deals in good faith with a company incorporated under the 2006 Act is entitled to assume that the directors of the company are acting without limitation.

**Miscellaneous.** In addition to the foregoing, the following other points should be noted in relation to companies incorporated under the 2006 Act:

- (a) there are no prohibitions in relation to the company providing financial assistance for the purchase of its own shares;
- (b) there is no differentiation between public and private companies, but a company may adopt a name ending in the words "Public Limited Company" or "public limited company" or the abbreviation "PLC" or "plc";
- (c) there are simple share offering/annual report requirements;
- (d) there are reduced compulsory registry filings;

- (e) the statutory accounting requirements are simplified; and
- (f) the 2006 Act allows a company to indemnify and purchase indemnity insurance for its directors.

Shareholders should note that the above list is not exhaustive.

#### ***Exchange Controls***

No foreign exchange control regulations are in existence in the Isle of Man in relation to the exchange or remittance of sterling or any other currency from the Isle of Man and no authorizations, approvals or consents will be required from any authority in the Isle of Man in relation to the exchange and remittance of sterling and any other currency whether awarded by reason of a judgment or otherwise falling due and having been paid in the Isle of Man.

#### **Material Indian Regulations**

We are subject to other Indian and international regulations which may impact our business. In particular, the following regulations have a significant impact on our business.

***Notification of Industry Status.*** The Indian film industry was conferred industry status by a press release issued by the MIB on May 10, 1998.

***Film Certification.*** The Cinematograph Act authorizes the CBFC, in accordance with the Cinematograph (Certification) Rules, 1983, or the Certification Rules, for sanctioning films for public exhibition in India. Under the Certification Rules, the producer of a film is required to apply in the specified format for certification of such film, with the prescribed fee. The film is examined by an examining committee, which determines whether the film:

- is suitable for unrestricted public exhibition;
- is suitable for unrestricted public exhibition, with a caution that the question as to whether any child below the age of 12 years may be allowed to see the film should be considered by the parents or guardian of such child;
- is suitable for public exhibition restricted to adults;
- is suitable for public exhibition restricted to members of any profession or any class of persons having regard to the nature, content and theme of the film;
- is suitable for certification in terms of the above if a specified portion or portions be excised or modified therefrom; or
- that the film is not suitable for unrestricted or restricted public exhibitions, or that the film be refused a certificate.

A film will not be certified for public exhibition if, in the opinion of the CBFC, the film or any part of it is against the interests of the sovereignty, integrity or security of India, friendly relations with foreign states, public order, decency or morality, or involves defamation or contempt of court or is likely to incite the commission of any offence. Any applicant, if aggrieved by any order of the CBFC either refusing to grant a certificate or granting a certificate that restricts exhibition to certain persons only, may appeal to the Film Certification Appellate Tribunal constituted by the Central Government in India under the Cinematograph Act.

A certificate granted or an order refusing to grant a certificate in respect of any film is published in the Official Gazette of India and is valid throughout India for ten years from the date of grant. Films certified for public exhibition may be re-examined by the CBFC if any complaint is received. Pursuant to grant of a certificate, film advertisements must indicate that the film has been certified for such public exhibition.

The Central Government in India may issue directions to licensees of cinemas generally or to any licensee in particular for the purpose of regulating the exhibition of films, so that scientific films, films intended for educational purposes, films dealing with news and current events, documentary films or indigenous films secure an adequate opportunity of being exhibited. The Central Government in India, acting through local authorities, may order suspension of exhibition of a film, if it is of the opinion that any film being publicly exhibited is likely to cause a breach of peace. Failure to comply with the Cinematograph Act may attract imprisonment and/or monetary fines.

Separately, the Cable Television Networks Rules, 1994 require that no film or film song, promotional material, trailer or film music video, album or their promotional materials, whether produced in India or abroad, shall be carried through cable services unless it has been certified by the CBFC as suitable for unrestricted public exhibition in India.

A draft Cinematograph Bill, 2013 has been prepared by the Ministry of Information and Broadcasting and is awaiting approval.

**Financing.** In October 2000, the Ministry of Finance, GOI notified the film industry as an industrial concern in terms of the Industrial Development Bank of India Act, 1964, pursuant to which loans and advances to industrial concerns became available to the film industry.

The Reserve Bank of India, or the RBI, by circular dated May 14, 2001, permitted commercial banks to finance up to 50.0% of total production cost of a film. Further, by an RBI circular dated June 8, 2002, bank financing is now available even where total film production cost exceeds approximately \$1.6 million. Banks which finance film productions customarily require borrowers to assign the film's intellectual property or music audio/video/CDs/DVDs/internet, satellite, channel, export/international rights as part of the security for the loan, such that the banks would have a right in negotiation of valuation of such intellectual property rights.

**Labor Laws.** Depending on the nature of work and number of workers employed at any workplace, various labor related legislations may apply. Certain significant provisions of such labor related laws are provided below.

The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, or the EPF Act, applies to factories employing 20 or more employees and such other establishments as notified by the Government from time to time. It requires all such establishments to be registered with the relevant Provident Fund Commissioner. Also, such employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages and certain cash benefits payable to employees. Employees are also required to make equal contributions to the fund. A monthly return is required to be submitted to the relevant Provident Fund Commissioner in addition to the maintenance of registers by employers.

**Competition Act.** The Competition Act, 2002, or the Competition Act, prohibits practices that could have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void. Any agreement among competitors which directly or indirectly determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition. Further, the Competition Act prohibits the abuse of a dominant position by any enterprise either directly or indirectly, including by way of unfair or discriminatory pricing or conditions in the sale of goods or services, using a dominant position in one relevant market to enter into, or protect, another relevant market, and denial of market access. Further, acquisitions, mergers and amalgamations which exceed certain revenue and asset thresholds require prior approval by the Competition Commission of India.

Under the Competition Act, the Competition Commission has powers to pass directions/impose penalties in cases of anti-competitive agreements, abuse of dominant position and combinations. In the event of failure to comply with the orders or directions of the Competition Commission, without reasonable cause, such person is punishable with a fine extending to approximately \$1,604 for each day of such non-compliance, subject to a maximum of approximately \$1.6 million.

If there is a continuing non-compliance the person may be punishable with imprisonment for a term extending up to three years or with a fine which may extend up to approximately \$4.0 million or with both as the Chief Metropolitan Magistrate, Delhi may deem fit. In case of offences committed by companies, the persons responsible to the company for the conduct of the business of the company will be liable under the Competition Act, except when the offense was committed without their knowledge or when they had exercised due diligence to prevent it. Where the contravention committed by the company took place with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such person is liable to be punished.

The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes or is likely to cause an appreciable adverse effect in the relevant market in India. Recently, the Competition Act was amended, and cases which were pending before the Monopolies and Restrictive Trade Practice Commission were transferred to the Competition Commission of India.

**Indian Takeover Regulations.** The Takeover Regulations came into effect on October 22, 2011, superseding the earlier takeover regulations. The Takeover Regulations provide the process, timing and disclosure requirements for a public announcement of an open offer in India and the applicable pricing norms.

Pursuant to the Takeover Regulations, a requirement to make a mandatory open offer by an “acquirer” (together with persons acting in concert with it) for at least 26% of the total shares of the Indian listed company, to all shareholders of such company (excluding the acquirer, persons acting in concert with it and the parties to any underlying agreement including persons deemed to be acting in concert) is triggered, subject to certain exemptions including transfers between promoters, if an acquirer acquires shares or voting rights in the Indian listed company, which together with its existing holdings and those of any persons acting in concert with him entitle the acquirer and persons acting in concert to exercise 25% or more of the voting rights in the Indian listed company; or an acquirer that holds between 25% and the maximum permissible non-public shareholding of an Indian listed company, acquires additional voting rights of more than 5% during a financial year; or an acquirer acquires, directly or indirectly, control over an Indian listed company, irrespective of acquisition of shares or voting rights in the Indian listed company.

An acquisition of shares or voting rights in, or control over, any company that would enable a person to exercise or direct the exercise of such percentage of voting rights in, or control over, an Indian listed company, the acquisition of which would otherwise attract the obligation to make an open offer under the Takeover Regulations will also trigger a mandatory open offer under the Takeover Regulations. Where the primary target of the acquisition is an overseas parent of an Indian listed company and the Indian listed company represents over 80% of a specified materiality parameter (including asset value, revenue or market capitalization) of the overseas parent company, such acquisition would be treated as a “direct acquisition” of the Indian listed company.

**Indian Companies Act.** A majority of the provisions of the Companies Act, 2013 are now in effect, bringing into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures, corporate governance norms, audit matters, and related party transactions. The Companies Act, 2013 has also introduced additional requirements which do not have equivalents under the Companies Act, 1956, including the introduction of a provision allowing the initiation of class action suits in India against companies by shareholders (pending notification by the Ministry of Corporate Affairs of India) or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), and prohibitions on advances to directors. Indian companies with net worth, turnover or net profits of INR 5,000 million or higher during any financial year are also required to spend 2.0% of their average net profits during the three immediately preceding financial years on activities pertaining to corporate social responsibility. Further, the Companies Act, 2013 imposes greater monetary and other liability on Indian companies, their directors and officers in default, for any non-compliance.

## Differences in Corporate Law

The following chart summarizes certain material differences between the rights of holders of our A ordinary shares and the rights of holders of the common stock of a typical corporation incorporated under the laws of the State of Delaware that result from differences in governing documents and the laws of Isle of Man and Delaware.

	<b>Isle of Man Law</b>	<b>Delaware Law</b>
<b>General Meetings</b>	<p>The 2006 Act does not require a company to hold an annual general meeting of its shareholders. Subject to anything contrary in the company's memorandum and articles of association, a meeting of shareholders can be held at such time and in such place, within or outside the Isle of Man, as the convener of the meeting considers appropriate. Under the 2006 Act, the directors of a company (or any other person permitted by the company's memorandum and articles of association) may convene a meeting of the shareholders of a company. Further, the directors of a company must call a meeting to consider a resolution requested in writing by shareholders holding at least 10% of the company's voting rights. The Isle of Man Court may order a meeting of members to be held and to be conducted in such manner as the Court orders, among other things, if it is of the opinion that it is in the interests of the shareholders of the company that a meeting of shareholders is held.</p> <p>Our articles require our Board of Directors to convene annually a general meeting of the shareholders at such time and place, and to consider such business, as the Board of Directors may determine.</p>	<p>Shareholders of a Delaware corporation generally do not have the right to call meetings of shareholders unless that right is granted in the certificate of incorporation or bylaws. However, if a corporation fails to hold its annual meeting within a period of 30 days after the date designated for the annual meeting, or if no date has been designated for a period of 13 months after its last annual meeting, the Delaware Court of Chancery may order a meeting to be held upon the application of a shareholder.</p>
<b>Quorum Requirements for General Meetings</b>	<p>The 2006 Act provides that a quorum at a general meeting of shareholders may be fixed by the articles. Our articles provide a quorum required for any general meeting consists of shareholders holding at least 30% of the issued share capital of the Company.</p>	<p>A Delaware corporation's certificate of incorporation or bylaws can specify the number of shares that constitute the quorum required to conduct business at a meeting, provided that in no event will a quorum consist of less than one-third of the shares entitled to vote at a meeting.</p>
<b>Board of Directors</b>	<p>Our articles provide that unless and until otherwise determined by our Board of Directors, the number of directors will not be less than three or more than 12, with the exact number to be set from time to time by the Board of Directors. While there is no concept of dividing a board of directors into classes under Isle of Man law, there is nothing to prohibit a company from doing so. Consequently, under our articles, our Board of Directors is divided into three classes, each as nearly equal in number as possible and at each annual general meeting, each of the directors of the relevant class the term of which shall then expire shall be eligible for re-election to the Board of Directors for a period of three years.</p>	<p>A typical certificate of incorporation and bylaws would provide that the number of directors on the board of directors will be fixed from time to time by a vote of the majority of the authorized directors. Under Delaware law, a board of directors can be divided into up to three classes.</p>



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**Isle of Man Law**

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**Delaware Law**

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**Removal of Directors**

Under Isle of Man law, notwithstanding anything in the memorandum or articles or in any agreement between a company and its directors, a director may be removed from office by way of shareholder resolution. Such resolution may only be passed (a) at a meeting of the shareholders called for such purposes including the removal of the director or (b) by a written resolution consented to by a shareholder or shareholders holding at least 75% of the voting rights.

The 2006 Act provides that a director may be removed from office by a resolution of the directors if the directors are expressly given such authority in the memorandum or articles, but our articles do not provide this authority.

A typical certificate of incorporation and bylaws provide that, subject to the rights of holders of any preferred stock, directors may be removed at any time by the affirmative vote of the holders of at least a majority, or in some instances a supermajority, of the voting power of all of the then outstanding shares entitled to vote generally in the election of directors, voting together as a single class. A certificate of incorporation could also provide that such a right is only exercisable when a director is being removed for cause (removal of a director only for cause is the default rule in the case of a classified board).

**Vacancy of Directors**

Subject to any contrary provisions in a company's memorandum or articles of association, a person may be appointed as a director (either to fill a vacancy or as an additional director) by a resolution of the directors or by a resolution of the shareholders.

Our articles provide that any vacancy resulting from, among other things, removal, resignation, conviction and disqualification, may be filled by another person willing to act as a director by way of shareholder resolution or resolution of our Board of Directors. Any director appointed by the Board of Directors will hold office only until the next annual general meeting of the Company, when he will be subject to retirement or re-election.

A typical certificate of incorporation and bylaws provide that, subject to the rights of the holders of any preferred stock, any vacancy, whether arising through death, resignation, retirement, disqualification, removal, an increase in the number of directors or any other reason, may be filled by a majority vote of the remaining directors, even if such directors remaining in office constitute less than a quorum, or by the sole remaining director. Any newly elected director usually holds office for the remainder of the full term expiring at the annual meeting of shareholders at which the term of the class of directors to which the newly elected director has been elected expires.

**Interested Director Transactions**

Under Isle of Man law, as soon as a director becomes aware of the fact that he is interested in a transaction entered into or to be entered into by the company, he must disclose this interest to the board of directors. Our articles provide that no director may participate in approval of a transaction in which he or she is interested.

Under Delaware law, some contracts or transactions in which one or more of a Delaware corporation's directors has an interest are not void or voidable because of such interest provided that some conditions, such as obtaining the required approval and fulfilling the requirements of good faith and full disclosure, are met. For an interested director transaction not to be voided, either the shareholders or the board of directors must approve in good faith any such contract or transaction after full disclosure of the material facts or the contract or transaction must have been "fair" as to the corporation at the time it was approved. If board or committee approval is sought, the contract or transaction must be approved in good faith by a majority of disinterested directors after full disclosure of material facts, even though less than a majority of a quorum.

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**Isle of Man Law**


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**Delaware Law**


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**Cumulative Voting**

There is no concept of cumulative voting under Isle of Man law.

Delaware law does not require that a Delaware corporation provide for cumulative voting. However, the certificate of incorporation of a Delaware corporation may provide that shareholders of any class or classes or of any series may vote cumulatively either at all elections or at elections under specified circumstances.

**Shareholder Action Without a Meeting**

A written resolution will be passed if it is consented to in writing by shareholders holding in excess of 50% of the rights to vote on such resolution. The consent may be in the form of counterparts, and our articles provide that, in such circumstances, the resolution takes effect on the earliest date upon which shareholders holding a sufficient number of votes to constitute a resolution of shareholders have consented to the resolution in writing. Any holder of B ordinary shares consenting to a resolution in writing is first required to certify that it is a permitted holder as defined in our articles. If any written resolution of the shareholders of the company is adopted otherwise than by unanimous written consent, a copy of such resolution must be sent to all shareholders not consenting to such resolution upon it taking effect.

Unless otherwise specified in a Delaware corporation's certificate of incorporation, any action required or permitted to be taken by shareholders at an annual or special meeting may be taken by shareholders without a meeting, without notice and without a vote, if consents, in writing, setting forth the action, are signed by shareholders with not less than the minimum number of votes that would be necessary to authorize the action at a meeting at which all shares entitled to vote were present and voted. All consents must be dated. No consent is effective unless, within 60 days of the earliest dated consent delivered to the corporation, written consents signed by a sufficient number of holders to take the action are delivered to the corporation.

**Business Combinations**

Under Isle of Man law, a merger or consolidation must be approved by, among other things, the directors of the company and by shareholders holding at least 75% of the voting rights. A scheme of arrangement (which includes, among other things, a sale or transfer of the assets of the company) must be approved by, among other things, the directors of the company, a 75% shareholder majority and also requires the sanction of the court.

With certain exceptions, a merger, consolidation or sale of all or substantially all the assets of a Delaware corporation must be approved by the board of directors and a majority (unless the certificate of incorporation requires a higher percentage) of the outstanding shares entitled to vote thereon.

**Interested Shareholders**

There are no equivalent provisions under Isle of Man law relating to interested shareholders.

Section 203 of the Delaware General Corporation Law generally prohibits a Delaware corporation from engaging in specified corporate transactions (such as mergers, stock and asset sales and loans) with an "interested shareholder" for three years following the time that the shareholder becomes an interested shareholder. Subject to specified exceptions, an "interested shareholder" is a person or group that owns 15% or more of the corporation's outstanding voting stock (including any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or is an affiliate or associate of the corporation and was the owner of 15% or more of the voting stock at any time within the previous three years.

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**Isle of Man Law**


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**Delaware Law**


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**Limitations on Personal Liability of Directors**

Under Isle of Man law, a director who vacates office remains liable under any provisions of the 2006 Act that impose liabilities on a director in respect of any acts or omissions or decisions made while that person was a director.

A Delaware corporation may elect to “opt out” of, and not be governed by, Section 203 through a provision in either its original certificate of incorporation or its bylaws, or an amendment to its original certificate or bylaws that was approved by majority shareholder vote. With a limited exception, this amendment would not become effective until 12 months following its adoption.

A Delaware corporation may include in its certificate of incorporation provisions limiting the personal liability of its directors to the corporation or its shareholders for monetary damages for many types of breach of fiduciary duty. However, these provisions may not limit liability for any breach of the duty of loyalty, acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, the authorization of unlawful dividends, shares repurchases or shares barring redemptions, or any transaction from which a director derived an improper personal benefit. A typical certificate of incorporation would also provide that if Delaware law is amended so as to allow further elimination of, or limitations on, director liability, then the liability of directors will be eliminated or limited to the fullest extent permitted by Delaware law as so amended. However, these provisions would not be likely to bar claims arising under U.S. federal securities laws.

**Indemnification of Directors and Officers**

A company may indemnify against all expenses, any person who is or was a party, or is threatened to be made a party to any civil, criminal, administrative or investigative proceedings (threatened, pending or completed), by reason of the fact that the person is or was a director of the company, or who is or was, at the request of the company, serving as a director or acting for another company.

Any indemnity given will be void and of no effect unless such person acted honestly and in good faith and in what such person believed to be in the best interests of the company and, in the case of criminal proceedings, had no reasonable cause to believe that the conduct of such person was unlawful.

Under Delaware law, subject to specified limitations in the case of derivative suits brought by a corporation’s shareholders in its name, a corporation may indemnify any person who is made a party to any third party action, suit or proceeding on account of being a director, officer, employee or agent of the corporation (or was serving at the request of the corporation in such capacity for another corporation, partnership, joint venture, trust or other enterprise) against expenses, including attorney’s fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding through, among other things, a majority vote of directors who were not parties to the suit or proceeding (even though less than a quorum), if the person:

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**Isle of Man Law**


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**Delaware Law**

- acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or, in some circumstances, at least not opposed to its best interests; and
- in a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Delaware law permits indemnification by a corporation under similar circumstances for expenses (including attorneys' fees) actually and reasonably incurred by such persons in connection with the defense or settlement of a derivative action or suit, except that no indemnification may be made in respect of any claim, issue or matter as to which the person is adjudged to be liable to the corporation unless the Delaware Court of Chancery or the court in which the action or suit was brought determines upon application that the person is fairly and reasonably entitled to indemnity for the expenses which the court deems to be proper.

To the extent a director, officer, employee or agent is successful in the defense of such an action, suit or proceeding, the corporation is required by Delaware law to indemnify such person for reasonable expenses incurred thereby. Expenses (including attorneys' fees) incurred by such persons in defending any action, suit or proceeding may be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of that person to repay the amount if it is ultimately determined that that person is not entitled to be so indemnified.

**Appraisal Rights**

There is no concept of appraisal rights under Isle of Man law.

A shareholder of a Delaware corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights pursuant to which the shareholder may receive cash in the amount of the fair value of the shares held by that shareholder (as determined by a court) in lieu of the consideration the shareholder would otherwise receive in the transaction.

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**Isle of Man Law**

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**Delaware Law**

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**Shareholder Suits**

The Isle of Man Court may, on application of a shareholder, permit that shareholder to bring proceedings in the name and on behalf of the company (including intervening in proceedings to which the company is a party). In determining whether or not leave is to be granted, the Isle of Man Court will take into account such things as whether the shareholder is acting in good faith and whether the Isle of Man Court itself is satisfied that it is in the interests of the company that the conduct of the proceedings should not be left to the directors or to the determination of the shareholders as a whole.

Under Isle of Man law, a shareholder may bring an action against the company for a breach of a duty owed by the company to such shareholder in that capacity.

Under Delaware law, a shareholder may bring a derivative action on behalf of the corporation to enforce the rights of the corporation, including for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. An individual also may commence a class action suit on behalf of himself or herself and other similarly situated shareholders where the requirements for maintaining a class action under Delaware law have been met. A person may institute and maintain such a suit only if such person was a shareholder at the time of the transaction which is the subject of the suit or his or her shares thereafter devolved upon him or her by operation of law. Additionally, under established Delaware case law, the plaintiff generally must be a shareholder not only at the time of the transaction which is the subject of the suit, but also through the duration of the derivative suit. Delaware law also requires that the derivative plaintiff make a demand on the directors of the corporation to assert the corporate claim before the suit may be prosecuted by the derivative plaintiff, unless such demand would be futile. In such derivative and class actions, the court has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.

**Inspection of Books and Records**

Upon giving written notice, a shareholder is entitled to inspect and to make copies of (or obtain extracts of) the memorandum and articles and any of the registers of shareholders, directors and charges. A shareholder may only inspect the accounting records (and make copies or take extracts thereof) in certain circumstances.

Our articles provide that no shareholder has any right to inspect any accounting record or other document of the company unless he is authorized to do so by statute, by order of the Isle of Man Court, by our Board of Directors or by shareholder resolution.

All shareholders of a Delaware corporation have the right, upon written demand, to inspect or obtain copies of the corporation's shares ledger and its other books and records for any purpose reasonably related to such person's interest as a shareholder.

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**Isle of Man Law**


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**Delaware Law**


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**Amendment of Governing Documents**

Under Isle of Man law, the shareholders of a company may, by resolution, amend the memorandum and articles of the company. The memorandum and articles of a company may authorize the directors to amend the memorandum and articles, but our memorandum and articles do not contain any such power. Our memorandum of association provides that our memorandum of association and articles of association may be amended by a special resolution of shareholders.

Under Delaware law, amendments to a corporation's certificate of incorporation require the approval of shareholders holding a majority of the outstanding shares entitled to vote on the amendment. If a class vote on the amendment is required by Delaware law, a majority of the outstanding stock of the class is required, unless a greater proportion is specified in the certificate of incorporation or by other provisions of Delaware law. Under Delaware law, the board of directors may amend bylaws if so authorized in the certificate of incorporation. The shareholders of a Delaware corporation also have the power to amend bylaws.

**Dividends and Repurchases**

The 2006 Act contains a statutory solvency test. A company satisfies the solvency test if it is able to pay its debts as they become due in the normal course of its business and where the value of the company's assets exceeds the value of its liabilities.

Subject to the satisfaction of the solvency test and any contrary provision contained in a company's articles, a company may, by a resolution of the directors, declare and pay dividends. Our articles provide that where the solvency test has been satisfied, our Board of Directors may declare and pay dividends (including interim dividends) out of our profits to shareholders according to their respective rights and interests in the profits of the company.

Under Isle of Man law, a company may purchase, redeem or otherwise acquire its own shares for any consideration, subject to, among other things, satisfaction of the solvency test.

Delaware law permits a corporation to declare and pay dividends out of statutory surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and/or for the preceding fiscal year as long as the amount of capital of the corporation following the declaration and payment of the dividend is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets.

Under Delaware law, any corporation may purchase or redeem its own shares, except that generally it may not purchase or redeem those shares if the capital of the corporation is impaired at the time or would become impaired as a result of the redemption. A corporation may, however, purchase or redeem capital shares that are entitled upon any distribution of its assets to a preference over another class or series of its shares if the shares are to be retired and the capital reduced.

**Changes in Capital**

The conditions in our articles of association governing changes in capital are not more stringent than as required under the 2006 Act. Our articles of association provide that our directors may, by resolution, alter our share capital. The 2006 Act subjects any reduction of share capital to the statutory solvency test. The 2006 Act provides that a company satisfies the solvency test if it is able to pay its debts as they become due in the normal course of the company's business and where the value of the company's assets exceeds the value of its liabilities.

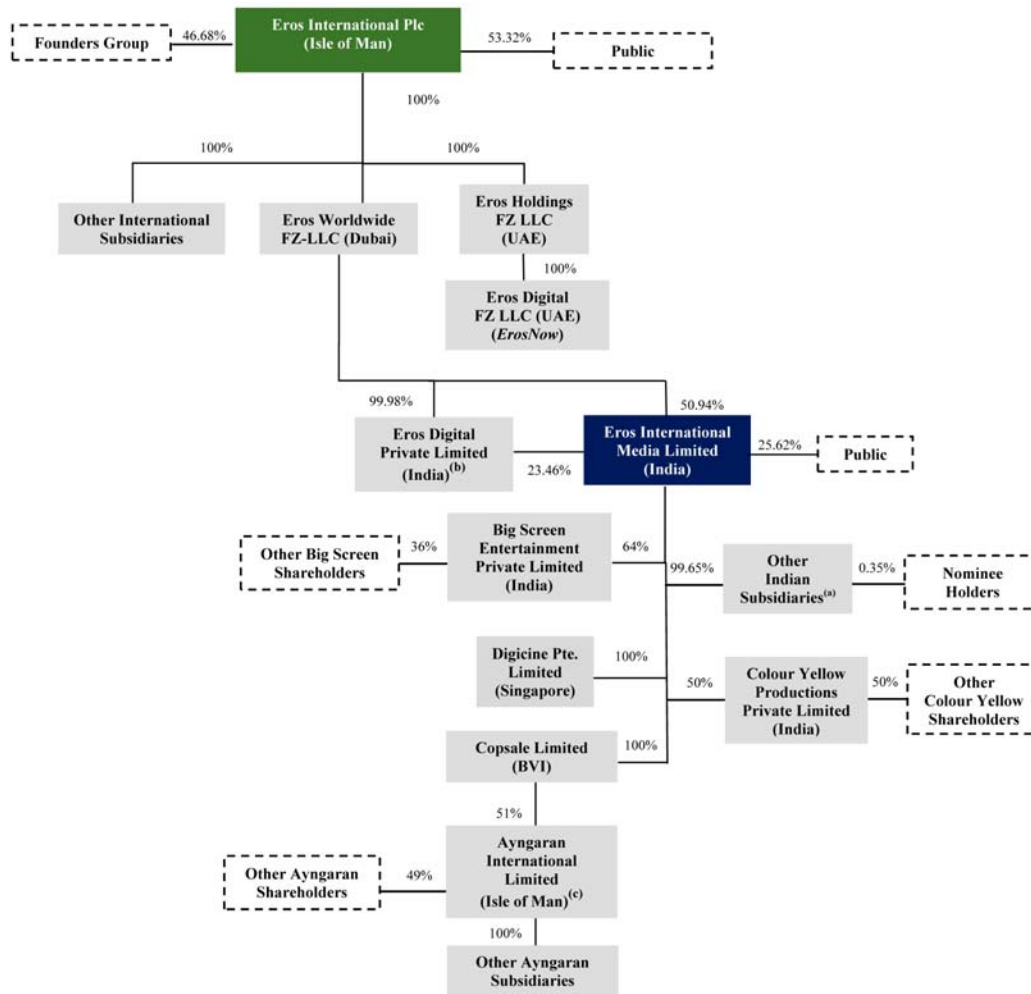
**C. Organizational Structure**

We conduct our global operations through our Indian and international subsidiaries, including our majority-owned subsidiary Eros International Media Limited, or Eros India, a public company incorporated in India and listed on the BSE Limited and National Stock Exchange of India Limited, or the Indian Stock Exchanges. Our agent for service of process in the United States is Ken Naz, located at 550 County Avenue, Secaucus, New Jersey.

The Founders Group holds approximately 47.0% of our issued share capital, which comprise all of our B ordinary shares and certain A ordinary shares. Beech Investments, a company incorporated in the Isle of Man, is owned by discretionary trusts that include Eros founder Arjan Lulla and Eros directors Kishore Lulla and Vijay Ahuja as potential beneficiaries.

The following diagram summarizes the corporate structure of our consolidated group of companies as of March 31, 2015:

**Eros Organizational Chart (as of March 2015)**



(a) Eros India holds at least 99% of each of its Indian subsidiaries other than Big Screen Entertainment Private Limited (India) and Colour Yellow Productions Private Limited (India).

(b) Eros Digital Private Limited (India) holds the remaining 0.35% of Eros India's Indian subsidiary Eros International Films Private Limited.

(c) Ayngaran International Limited (Isle of Man) holds 51% of Ayngaran Anak Media Private Limited (India) and 100% of each of its other subsidiaries.

#### D. Property, Plant and Equipment

Our properties consist primarily of studios, office facilities, warehouses and distribution offices, most of which are located in Mumbai, India. We own our corporate and registered offices in Mumbai and rent our remaining properties in India. Five of these leased properties are owned by members of the Lulla family. The leases with the Lulla family were entered into at what we believe were market rates. See “Part I. — Item 7. Major Shareholders and Related Party Transactions” and “Part I — Item 3. Key Information — D. Risk Factors. We have entered into certain related party transactions and may continue to rely on our founders for certain key development and support activities.” We also own or lease four properties in the United Kingdom, the United States and Dubai in connection with our international operations outside of India. Property, plant and equipment with a net carrying amount of approximately \$9.2 million (2014: \$10.1 million) have been pledged to secure borrowings, and we currently do not have any significant plans to construct new properties or expand or improve our existing properties.

The following table provides detail regarding our properties in India and globally.

Location	Size	Primary Use	Leased / Owned
Mumbai, India	13,992 sq. ft.	Corporate Office	Owned
Mumbai, India	2,750 sq. ft.	Studio Premises	Leased <sup>(1)</sup>
Mumbai, India	8,094 sq. ft.	Executive Accommodation	Leased <sup>(1)</sup>
Mumbai, India	165 sq. ft.	Film Prints Warehouse	Leased
Mumbai, India	5,000 sq. ft.	Digital team	Leased
Mumbai, India	17,120 sq. ft.	Corporate Office	Leased <sup>(1)</sup>
Bangalore, India	5,100 sq. ft.	Digital team	Leased
Chennai, India	5,163 sq. ft.	Film Distribution Office	Leased
Delhi, India	1,800 sq. ft.	Digital team	Leased
Mumbai, India	2,750 sq. ft.	Corporate	Owned
Delhi, India	2,200 sq. ft.	Film Distribution Office	Leased
Punjab, India	438 sq. ft.	Film Distribution Office	Leased
Mumbai, India	2,926 sq. ft.	DVD warehouse	Leased
Dubai, United Arab Emirates	536 sq. ft.	Corporate Office	Leased
Secaucus, New Jersey, U.S.	10,000 sq. ft.	Corporate Office	Leased <sup>(1)</sup>
London, England	7,549 sq. ft.	DVD Warehouse	Owned
London, England	4,506 sq. ft.	Corporate Office	Leased <sup>(1)</sup>
Fujairah, United Arab Emirates	1,353 sq. ft.	Corporate Office	Leased
Fujairah, United Arab Emirates	1,353 sq. ft.	Corporate Office	Leased
Los Angeles, California, U.S.	1,000 sq. ft.	Corporate Office	Leased
San Francisco, California, U.S.	2,315 sq. ft.	Digital team	Leased

(1) Leased directly or indirectly from a member of the Lulla family.

#### ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

#### ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

##### A. Operating Results

You should read the information contained in the table below in conjunction with our audited consolidated financial statements and the related notes included elsewhere in this annual report. The tables set forth below with our results of operations and period over period comparisons are not adjusted for the fluctuations in exchange rates described in “Part I — Item 3. Key Information — A. Selected Financial Data.”



## Outlook

Our primary revenue streams are derived from three channels: theatrical, television syndication and digital and ancillary. For the fiscal year ended March 31, 2015, the aggregate revenues from theatrical, television syndication and digital and ancillary were \$123.1 million, \$101.2 million and \$59.9 million respectively, compared to \$107.5 million, \$80.3 million and \$47.7 million, respectively, for the fiscal year ended March 31, 2014. In fiscal 2013, the aggregate revenue from theatrical, television syndication and digital and ancillary was \$101.0 million, \$74.4 million and \$40.0 million, respectively.

The contribution from these three distribution channels can fluctuate year over year based on, among other things, our mix of films and budget levels, the size of our television syndication deals and our ability to license music in any particular year.

The largest component of our revenue is attributable to the theatrical distribution of our films in India. We anticipate that as additional multiplex theaters are built in India, there will be increased opportunities to exploit our film content theatrically. We expect that this multiplex theater growth coupled with the rise in ticket prices and the anticipated increase in the number of high budget Hindi and Tamil films in our slate will result in increased revenue. We expect this increase in revenue to be partially offset by increased distribution costs associated with broader distribution of film content, including increased print costs. In addition, in India, we cannot predict the share of theatrical revenue we will receive, as we currently negotiate film-by-film and exhibitor-by-exhibitor.

Increasing the number of Tamil global releases in our film mix allows us to release multiple films simultaneously to the Hindi and Tamil market taking a greater combined share of the box office for that week. In November 2012 (Diwali), we released *Son of Sardaar*, a high budget Hindi film, as well as *Thuppakki*, a high budget Tamil film targeting different audiences in the same market. As we expand into other regional languages such as Telugu, we may see the composition of our film mix changing over time in order to allow us to successfully scale our business around Hindi as well as regional language content. At the same time, the distribution window for the theatrical release of films, and the window between the theatrical release and distribution in other channels, have each been compressing in recent years and may continue to change. Further shortening of these periods could adversely impact our revenues if consumers opt to view a film on one channel over another, resulting in channels cannibalizing revenue from each other.

We expect that the continued volatility in the value of the Indian Rupee against foreign currency will continue to have an impact on our business. The Indian Rupee experienced an approximately 10.7% drop in value as compared to the U.S. dollar in fiscal 2014. In fiscal 2015 the drop was 3.7%. In November 2014, the Indian Rupee had dropped as much as 5.6% relative to the U.S. dollar from the beginning of fiscal 2014. Since the end of fiscal 2015 to the end of May 2015, the Indian Rupee has experienced a 2.0% decline. Changes in the growth of the Indian economy and the combined volatility of the Indian Rupee may adversely affect our business.

A substantial portion of our revenue is also derived from television syndication. Because of increased demand for Indian film content on television in India as the number of direct to home, or DTH, subscribers increases and the cable industry migrates toward digital technology, we expect a significant increase in demand for premium content such as movies and sports and a resultant increase in licensing fees payable to us by satellite and cable television operators. However, as competitors with compelling products, including international content providers, expand their content offerings in India, we expect competition for television syndication revenues to increase, and license fees for such content could decrease.

Currently, the remainder of our revenue is derived from digital distribution and ancillary products and services. With a significant portion of the Indian and international population moving toward adoption of digital technology, we are increasing our focus on providing on-demand services. We have expanded our digital presence with the launch of our on-demand entertainment portal Eros Now, which leverages our film and music libraries by providing ad-supported and subscription-based streaming of film and music content via internet-enabled devices. We also have an ad-supported YouTube portal site on Google that hosts an extensive collection of clips of our content. Accordingly, we anticipate that our revenue and costs associated with digital distribution are likely to increase over time.

We anticipate that our costs associated with the co-production and acquisition of film content are likely to increase over time as we continue to focus more on investing in high budget Hindi films as well as high budget Tamil films. In addition, increased competition in the Indian film entertainment industry, including from international film entertainment providers such as Disney, Twentieth Century Fox and Viacom, is likely to cause the cost of film production and acquisition to increase. In fiscal 2015, we invested approximately \$276.2 million in film content, and in fiscal 2016, we expect to invest approximately \$225.0 million in film content.

We anticipate our administrative costs will increase as we expand our management team, especially to support the expansion of our digital businesses. In addition, our administrative costs will increase due to the costs associated with being a U.S.-listed public company. Although aggregate spending will increase, we do not anticipate that this will result in a material change in aggregate administrative costs as a percentage of revenue.

## Critical Accounting Policies

Our consolidated financial statements are prepared in accordance with IFRS as issued by the IASB, which requires management to make estimates, judgments and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. Management considers the following accounting policies to be critical because they are important to our financial condition and results of operations and require significant judgment and estimates on the part of management in their application. The development and selection of these critical accounting policies have been determined by our management and the related disclosures have been reviewed with the Audit Committee of our board of directors. For a summary of all our accounting policies, see Note 3 to our audited Consolidated Financial Statements appearing elsewhere in this Annual Report.

### *Use of estimates*

Estimates and judgments are evaluated on a regular basis and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the present circumstances. We make estimates and assumptions concerning the future, and these estimates, by definition, may differ materially from actual results.

### *Revenue*

Revenue is measured by reference to the fair value of consideration received or receivable from customers. Revenue arising from the distribution or other exploitation of films and other content produced by third parties or by us, is recognized, net of sales taxes, when persuasive evidence of an arrangement exists, the fees are fixed or determinable, the product or service is available for delivery and collectability is reasonably assured. Cash received and amounts invoiced in connection with contractual arrangements for which revenue is not yet recognizable pursuant to these criteria, such as pre-sale amounts, is classified as deferred revenue. We consider the terms of each specific arrangement to determine the appropriate accounting treatment for revenue recognition. The following additional criteria apply to certain of our specific revenue streams:

- **Theatrical:** We recognize revenue based on our share of third party reported box office receipts for the measurement period. In instances where we have a minimum guarantee, we recognize that amount if due on or prior to the measurement date, but never prior to delivery or on the release date.
- **Television:** Revenues are recognized when the content is available for delivery. Royalty and other revenues from premium pay television are recognized based on reporting to us by the counterparty such as a television operator for providing programming services on mutually negotiated contractual terms.
- **Digital and ancillary:** Where we distribute through a sub-distributor, we recognize DVD, CD and video minimum guarantee revenues on the contract date and we recognize additional revenues as reported by third party licensees. Provision is made for returns where applicable. Digital and ancillary revenues are recognized at the earlier of when the content is accessed or reported by the contractual counterparty. Visual effects, production and other fees for services rendered by us and overhead recharges are recognized in the period in which they are earned, and the stage of production is used to determine the proportion recognized in the period.

### *Intangible assets*

We are required to identify and assess the income generating life of each intangible asset. Judgment is required in making these determinations and setting an amortization rate for such assets. We test annually whether there are any indications of impairment of our intangible assets in accordance with IAS 36: Impairment of Assets. Management also regularly reviews and revises its estimates when necessary, which may result in a change in the rate of amortization and/or a write down of the asset to fair value.

Accounting for film content under IFRS requires management's judgment regarding total revenues to be received on such film content and costs to be incurred throughout the income generating life of such film or its license period, whichever is the shorter. Where we make an advance to secure film content or the services of talent associated with a film product, we also consider the recoverability of such advance, or the likelihood that such advance will result in a saleable asset. Judgments are also used to determine the amortization of capitalized film content costs where management seeks to write down the capitalized cost of content in line with the expected revenues arising from the content. For first release film content, we use a stepped method of amortization based on management's judgment taking into account historic and expected performance, writing off a significant portion of the capitalized cost for such films in the first 12 months of their initial commercial exploitation, and then the balance over the lesser of the term of the rights held by us and nine years. Similar management judgment taking into account historic and expected performance is used to apply a stepped method of amortization on a quarterly basis within the first 12 months, writing off a significant portion of the capitalized cost in the quarter of theatrical release and the subsequent quarter. In fiscal 2009 and prior fiscal years, the balance of capitalized film content costs were amortized over a maximum of four years rather than nine. In the case of film content that we acquire after its initial exploitation, commonly referred to as library, amortization is spread evenly over the lesser of ten years after our acquisition or our license period.

Management applies this method by using its judgment to write down the capitalized cost of film content during its first 12 months of commercial exploitation and in line with the expected revenues arising from the content over its estimated useful life. Each of these calculations requires judgments and estimates to be made, and, as with goodwill, an unforeseen event could cause us to revise these judgments and assumptions affecting the value of the intangible assets. There may be instances where the useful life of an asset is shortened to reflect the uncertainty of its estimated income generating life. This is particularly the case when acquiring assets in markets that we have not previously exploited. Impairment losses on content advances are recognized when film production does not seem viable and refund of the advance is not probable.

#### ***Valuation of available-for-sale financial assets.***

We follow the guidance of IAS 39: Financial Instruments: Recognition and Measurement, or IAS 39, to determine, where possible, the fair value of its available-for-sale financial assets. This determination requires significant judgment. In making this judgment, we evaluate, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

#### ***Derivative financial instruments***

We use derivative financial instruments to reduce its exposure to interest rate movements.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the profit or loss depends on the nature of the hedge relationship.

#### ***Income taxes and deferred taxation***

We are subject to income taxes in various jurisdictions. Judgment is required in determining the worldwide provision for income taxes, taking into account management's analysis of future taxable income, reversing temporary differences and preparing ongoing tax planning strategies. During the normal course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. Judgment is also used when determining whether we should recognize a deferred tax asset and tax credit, based on whether management considers that there is sufficient certainty in future earnings to justify the carry forward of assets created by tax losses and tax credit.

Where the ultimate outcome of a transaction is different than was initially recorded, there may be an impact on the income tax and deferred tax provisions.

#### ***Share-based payments***

The Group is required to evaluate the terms to determine whether share based payment is equity settled or cash settled. Judgment is required to do this evaluation. Further, the Group is required to measure the fair value of equity settled transactions with employees at the grant date of the equity instruments. The fair value is determined principally by using the Black Scholes model and/or Monte Carlo Simulation Models which require assumptions regarding interest free rates, share price volatility, the expected life of an employee equity instrument and other variables. For further discussion of the basis and assumptions used to determine fair value, see Note 25 to our audited consolidated financial statements appearing elsewhere in this Annual Report.

#### ***Goodwill and trade name***

Our management tests annually whether goodwill and our trade name has suffered impairment, in accordance with our accounting policies and practices. In respect of goodwill, in accordance with IFRS rules, the recoverable amount of cash-generating units has been determined based on value in use calculations. These calculations require estimates to be made which are based on management assumptions. However, if there is an unforeseen event which materially affects these assumptions, such event could lead to a write down of goodwill.

While assessing any impairment of goodwill as at March 31, 2015, the value in use was determined using a discounted cash flow method. Estimated cash flows based on internal four year forecasts were developed and a pre-tax discount rate of 12.0% and a terminal growth rate of 4.0% were applied. The assessment of impairment of the trade name was based on a value in use measurement using the relief from royalty method and by then applying a pre-tax discount rate of 14.0% and a terminal growth rate of 4.0%.

#### ***Basis of consolidation***

We evaluate arrangements with special purpose vehicles in accordance with IFRS 10: Consolidated Financial Statements, or IFRS 10, to establish how transactions with such entities should be accounted for. This requires judgment over control and the balance of the risks and rewards attached to the arrangements.

**Year Ended March 31, 2015 Compared to Year Ended March 31, 2014**

	Year ended March 31,		Change	As a % of revenue	
	2015	2014		2015	2014
	(in thousands)				
Revenue	\$ 284,175	\$ 235,470	20.7%	100.0%	100.0%
Cost of sales	(155,777)	(132,933)	17.2	54.8	56.5
Gross profit	128,398	102,537	25.2	45.2	43.5
Administrative costs	(49,546)	(42,680)	16.1	17.4	18.1
Operating profit	78,852	59,857	31.7	27.7	25.4
Net finance costs	(5,861)	(7,517)	(22.0)	2.1	3.2
Other losses	(10,483)	(2,353)	345.5	3.7	1.0
Profit before tax	62,508	49,987	25.0	22.0	21.2
Income tax expense	(13,178)	(12,843)	2.6	4.6	5.5
Net income	\$ 49,330	\$ 37,144	32.8%	17.4%	15.8%

The following table sets forth, for the period indicated, the revenue by geographic area by customer location.

	Year ended March 31,		Change
	2015	2014	
	(in thousands)		
India	\$ 109,513	\$ 117,647	(6.9)%
Europe	27,146	22,245	22.0
North America	19,052	14,017	35.9
Rest of the world	128,464	81,561	57.5
Total revenues	\$ 284,175	\$ 235,470	20.7%

**Revenue.** Revenue increased by 20.7% to \$284.2 million, compared to \$235.5 million in fiscal 2014 (excluding the impact of foreign currency fluctuations, revenue increased 22.4%, or \$52.0 million). Our revenue growth was driven by increases in our theatrical, television syndication and digital and ancillary revenues in fiscal 2015. The growth in our theatrical revenue reflected the increased number of high budget films and the performance of our globally released Tamil and Telugu films, *Lingaa*, *Kochadaiyaan*, *Aagadu* and *Action Jackson* a Hindi film release. Television syndication revenue grew in fiscal 2015, with our high and medium budget films helping us syndicate attractive bundles of new and library films. Digital and ancillary revenue growth reflected new release and catalog performance together with contributions from production services. We released six high budget films in fiscal 2015 compared to four high budget films in fiscal 2014. In fiscal 2015 we released 12 medium budget films as compared to 21 medium budget films in fiscal 2014. In fiscal 2015 we released six high budget films of which three were Hindi and two were Tamil and one was Telugu, as compared to fiscal 2014, in which out of four high budget films, three were Hindi, and one was Telugu, and none were Tamil.

We derived approximately 61.5% of our fiscal 2015 revenues from customers located outside of India. This percentage is calculated (as required under International Financial Reporting Standards) based on where the customer who entered into a contract with us is located and not necessarily on the geography of the rights being exploited or licensed. To that extent, this net revenue by customer location may not be reflective of the potential of any given market. As a result of changes in the location of our customers, our revenue by customer location may vary year to year.

Revenue by customer location in India decreased 6.9% to \$109.5 million in fiscal 2015, compared to \$117.6 million in fiscal 2014, attributable to a reduction in revenue as a result of the translation impact due to exchange rate movement, together with the impact of changes in customer location for revenue related to the India market but accounted for as derived outside of India. Revenue from Europe increased 22.0% to \$27.1 million in fiscal 2015, compared to \$22.2 million in fiscal 2014. Revenue from North America increased 35.9% to \$19.1 million in fiscal 2015, compared to \$14.0 million in fiscal 2014 due to increased syndication revenues. In fiscal 2015, revenues from the rest of the world increased 57.5% to \$128.5 million, compared to \$81.6 million in fiscal 2014 due to increased syndication revenues and digital and ancillary revenues.

**Cost of sales.** Cost of sales increased by 17.2% or \$22.8 million in fiscal 2015 to \$155.8 million, compared to \$132.9 million in fiscal 2014. The increase was primarily due to an increase in film amortization costs of \$17.6 million driven by a higher investment in our new release slate as compared to fiscal 2014, along with the cumulative impact of amortization costs associated with our larger film library. Other costs of sales, which principally consist of advertising, overages and print costs, increased by \$4.9 million in fiscal 2015, reflecting increased advertising costs associated with the increase in high budget film releases in fiscal 2015 compared to fiscal 2014, offset by reduced print and associated distribution costs due to increased usage of digital distribution methods.

**Gross profit.** Gross profit increased by 25.2% or \$25.9 million in fiscal 2015 to \$128.4 million, compared to \$102.5 million in fiscal 2014 primarily due to our improved margins reflecting the higher than proportionate increase in revenues, relative to the lower cost of the mix of new film releases. As a percentage of revenues, our gross profit margin increased to 45.2% in fiscal 2015 from 43.5% in fiscal 2014.

**Administrative costs.** Administrative costs increased by 16.1% or \$6.8 million in fiscal 2015 to \$49.5 million, which was attributable to an increase of \$3.5 million in share based payment charges compared to fiscal 2014, along with \$3.3 million of additional overhead in fiscal 2015, which includes an increase in personnel cost of \$0.3 million. Additional trade receivables provisions contributed to \$1.8 million of the increase in additional overhead as compared to fiscal 2014.

**Net finance costs.** Net finance costs, excluding the impact of foreign currency fluctuations, decreased by 22.0% or \$1.6 million due to an overall increase in interest income resulting from higher cash levels across the group, which was due to proceeds from the follow-on offering on the NYSE and our Retail Bond offering on the London Stock Exchange.

**Other losses.** Other losses increased by 345.5% or \$8.1 million in fiscal 2015 to \$10.5 million, compared to \$2.4 million in fiscal 2014, due to a derivative loss as a result of changes in USD interest rate expectations of \$7.8 million recognized in fiscal 2015, compared to a \$5.2 million derivative gain in fiscal 2014.

**Income tax expense.** Income tax expense increased by 2.6% or \$0.4 million in fiscal 2015 to \$13.2 million compared to \$12.8 million in fiscal 2014, and our effective tax rate was 21.1% in fiscal 2015, compared to 25.6% in fiscal 2014. Derivative gains and transaction costs relating to equity transactions are not chargeable or deductible for income tax purposes. Our income tax expense in fiscal 2015 included \$7.5 million of estimated current tax expense and \$5.7 million of estimated deferred tax expense. The change in effective rate principally reflects a change in the pattern of the profits subject to income tax amongst our subsidiaries as compared to fiscal 2014.

#### Year Ended March 31, 2014 Compared to Year Ended March 31, 2013

	Year ended March 31,		Change	As a % of revenue	
	2014	2013		2014	2013
	(in thousands)				
Revenue	\$ 235,470	\$ 215,346	9.4%	100.0%	100.0%
Cost of sales	(132,933)	(134,002)	(0.8)	56.5	62.2
Gross profit	102,537	81,344	26.1	43.5	37.8
Administrative costs	(42,680)	(26,308)	62.2	18.1	12.2
Operating profit	59,857	55,036	8.8	25.4	25.6
Net finance costs	(7,517)	(1,469)	411.7	3.2	0.7
Other losses	(2,353)	(7,989)	(70.5)	1.0	3.7
Profit before tax	49,987	45,578	9.7	21.2	21.2
Income tax expense	(12,843)	(11,913)	7.8	5.5	5.5
Net income	\$ 37,144	\$ 33,665	10.3%	15.8%	15.6%

The following table sets forth, for the period indicated, the revenue by geographic area by customer location.

	Year ended March 31,		Change
	2014	2013	
	(in thousands)		
India	\$ 117,647	\$ 135,292	(13.0)%
Europe	22,245	35,147	(36.7)
North America	14,017	12,678	10.6
Rest of the world	81,561	32,229	153.1
Total revenues	\$ 235,470	\$ 215,346	9.3%

**Revenue.** Revenue increased by 9.4% to \$235.5 million, compared to \$215.3 million in fiscal 2013 (excluding the impact of foreign currency fluctuations, revenue increased 15.8%, or \$32.2 million). Our revenue growth was driven partly by an increase in theatrical revenue in fiscal 2014. The growth in our theatrical revenue reflected in particular the success of our globally released Hindi films, *Raanjhanaa*, *Grand Masti*, *Singh Saab the Great*, *Goliyon Ki Rasleela-Ram-leela*, *R...*, *Rajkumar*, and *Jai Ho*, as well as our first Telugu global release *One Nennokodine*. Television syndication revenue remained strong in fiscal 2014, with our high and medium budget films helping us syndicate attractive bundles of new and library films.

While we released four high budget films in fiscal 2014 compared to six high budget films in fiscal 2013, in fiscal 2014 we increased our number of medium budget films to 21 as compared to 13 medium budget films in fiscal 2013. In fiscal 2014 our four high budget films of which three were Hindi and one was Telugu, while none were Tamil, as compared to fiscal 2013, in which out of six high budget films, four were Hindi and two were Tamil.

We derived approximately 50.0% of our fiscal 2014 revenues from customers located outside of India. This percentage is calculated (as required under International Financial Reporting Standards) based on where the customer who entered into a contract with us is located and not necessarily on the geography of the rights being exploited or licensed. To that extent, this net revenue by customer location may not be reflective of the potential of any given market. As a result of changes in the location of our customers, our revenue by customer location may vary year to year.

Underlying revenues from India as a market continued to grow. Revenue by customer location from India decreased by 13.0% or \$17.6 million in fiscal 2014 attributable to a \$8.8 million reduction in revenue as a result of the translation impact due to exchange rate movement, together with impact of customer location variations. For example, while more revenue may be attributable to customers located outside of India, we believe some of the content was still exploited and licensed in India by these customers. Revenue by customer location from Europe decreased by 36.7% or \$12.9 million in fiscal March 31, 2014 due to a decline in production services revenue in fiscal 2014, partially offset by increased contributions from television sales. Revenue by customer location from North America increased 10.6% or \$1.3 million in fiscal March 31, 2014 due to increased digital and syndication revenues. Revenue from the rest of the world increased 153.1% or \$49.3 million in fiscal March 31, 2014 due to an increase in catalogue syndication sales with respect to television as well as digital and ancillary rights, along a wider release of some of the theatrical films.

*Cost of sales.* Cost of sales decreased by 0.8% or \$1.1 million. The decrease was primarily due to a decrease in film amortization costs of \$2.3 million in fiscal 2014 driven by lower investment in our new release slate as compared to fiscal 2013 partially offset by the cumulative impact of amortization costs associated with our larger film library. Other costs of sales, which principally consist of advertising and print costs, increased by \$1.2 million, reflecting an increase in advertising costs of \$3.6 million which reflects reflecting the wider release pattern of films in the year as compared to fiscal 2013, offset by a reduction in other costs, including content advance and other impairments, of \$2.3 million.

*Gross profit.* Gross profit increased by 26.1% or \$21.2 million, primarily due to the improved margins reflecting the higher than proportionate increase in revenues, relative to the lower cost of the mix of new film releases and the resulting lower amortization charge. As a percentage of revenues our gross profit margin increased to 43.5% in fiscal 2014 from 37.8% in fiscal 2013.

*Administrative costs.* Administrative costs increased by 62.2% or \$16.4 million, which was attributable to a increase of \$16.5 million in share based payment charges compared to fiscal 2013, and partially offset by \$1.7 million of additional overhead in fiscal 2013 which includes an increase of personnel costs of \$1.6 million. The share based payment charges in fiscal 2014 principally arose from various directors, including our chief executive officer and chairman, and staff share grants associated with the listing on the New York Stock Exchange.

*Net finance costs.* Net finance costs, excluding the impact of foreign currency fluctuations, increased by 411.7% or \$6.0 million due to an overall increase in net debt levels and an increase in high cost short-term borrowings within India and a corresponding decrease in interest income from cash deposits within India.

*Other losses.* Other losses decreased by 70.5% or \$5.6 million. Other losses in fiscal 2014 were principally comprised of a \$8.2 million of costs associated with our New York Stock Exchange listing, other than the cost of employee share and option grants, which principally comprised of legal, accounting, printing and other travel costs; a \$5.2 million interest rate derivative gain; and a net foreign exchange gain of \$0.7 million. The derivative gain reflected the movement in long term expectations in respect of U.S. dollar interest rates. The foreign exchange gain in fiscal 2014 was mainly caused by the overall fluctuations in the Indian Rupee and British pound Sterling as compared to the U.S. dollar, which impacted U.S. dollar denominated loans in our Indian subsidiary and British pound Sterling deposits.

*Income tax expense.* Income tax expense increased by 7.8% or \$0.9 million and our effective tax rate was 25.7% in fiscal 2014, compared to 26.1% in fiscal 2013. The decrease in our effective rate principally reflects changes to the profits chargeable to taxation in India offset by an increase in tax rates in India during fiscal 2014. Derivative gains and transaction costs relating to equity transactions are not chargeable or deductible for income tax purposes. Our income tax expense in fiscal 2014 included \$6.5 million of estimated current tax expense and \$6.4 million of estimated deferred tax expense.

### Exchange Rates

Our reporting currency is the U.S. dollar. Transactions in foreign currencies are translated at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into U.S. dollars at the exchange rates at the date of the applicable statement of financial position. For the purposes of consolidation, all income and expenses are translated at the average rate of exchange during the period covered by the applicable statement of income and assets and liabilities are translated at the exchange rate prevailing on the date of the applicable statement of financial position. When the U.S. dollar strengthens against a foreign currency, the value of our sales and expenses in that currency converted to U.S. dollars decreases. When the U.S. dollar weakens, the value of our sales and expenses in that currency converted to U.S. dollars increases.

Recently, there have been periods of higher volatility in the Indian Rupee and U.S. dollar exchange rate. This volatility is illustrated in the table below for the periods indicated:

	Period End	Average <sup>(1)</sup>	High	Low
<b>Fiscal Year</b>				
2011	44.54	45.46	47.49	43.90
2012	50.89	48.01	53.71	44.00
2013	54.52	54.36	57.13	50.64
2014	60.35	60.35	68.80	53.65
2015	62.58	61.15	63.70	58.46
<b>Months</b>				
April 2014	60.34	60.36	61.09	59.88
May 2014	59.10	59.32	60.23	58.46
June 2014	60.15	59.74	60.40	59.09
July 2014	60.52	60.08	60.52	59.67
August 2014	60.68	60.87	61.45	60.46
September 2014	61.76	60.86	61.76	60.27
October 2014	61.40	61.39	61.83	61.02
November 2014	62.06	61.71	62.06	61.40
December 2014	63.12	62.78	63.70	61.86
January 2015	61.94	62.23	63.62	61.34
February 2015	61.81	62.04	62.34	61.71
March 2015	62.58	62.47	62.98	61.81
April 2015	63.52	62.72	63.59	62.23
May 2015	63.83	63.73	64.26	63.47

- (1) Represents the average of the U.S. dollar to Indian Rupee exchange rates on the last day of each month during the period for all fiscal years presented, and the average of the noon buying rate for all days during the period for all months presented.

This volatility in the Indian Rupee as compared to the U.S. dollar and the increasing exchange rate has impacted our results of operations as shown in the table below comparing the reported results against constant currency comparables based upon the average rate of exchange for the year ended March 31, 2015, of INR 61.23 to \$1.00. In addition to the impact on gross profit, the volatility during the year ended March 31, 2015 also led to a non-cash foreign exchange loss of \$0.9 million principally on our Indian subsidiaries' foreign currency loans in the year ended March 31, 2015 compared to \$0.6 million gain in the year ended March 31, 2014.

	Year ended March 31,					
	2015		2014		2013	
	Reported	Constant Currency	Reported	Constant Currency	Reported	Constant Currency
Revenue	\$ 284,175	\$ 284,175	\$ 235,470	\$ 232,183	\$ 215,346	\$ 202,196
Cost of sales	(155,777)	(155,777)	(132,933)	(129,593)	(134,002)	(124,243)
Gross Profit	\$ 128,398	\$ 128,398	\$ 102,537	\$ 102,590	\$ 81,344	\$ 77,953

The percentage change for the data comparing the constant currency amounts against the reported results referenced in the table above:

	Year ended March 31,		
	2015	2014	2013
Revenue	—%	(1.4)%	(6.5)%
Cost of sales	—	(2.5)	(7.9)
Gross profit	—%	(0.1)%	(4.4)%

The Indian Rupee experienced an approximately 3.7% drop in value as compared to the U.S. dollar in fiscal 2015, in fiscal 2014 the drop was 10.7%. Since the end of fiscal 2015 to the end of May 2015 the Indian Rupee has experienced a 2.0% decline. Changes in the growth of the Indian economy and the combined volatility of the Indian Rupee, may adversely affect our business.

## B. Liquidity and Capital Resources

Our operations and strategic objectives require continuing capital investment, and our resources include cash on hand and cash provided by operations, as well as access to capital from bank borrowings and access to capital markets. Management believes that cash generated by or available to us should be sufficient to fund our capital and liquidity needs for at least the next 12 months.

Our future financial and operating performance, ability to service or refinance debt and ability to comply with covenants and restrictions contained in our debt agreements will be subject to future economic conditions, the financial health of our customers and suppliers and to financial, business and other factors, many of which are beyond our control. Furthermore, management believes that working capital is sufficient for our present requirements.

	Year ended March 31,		
	2015	2014	2013
		(in thousands)	
Current assets	\$ 366,592	\$ 258,275	\$ 202,724
Current liabilities	128,481	128,580	110,727
Working capital	\$ 238,111	\$ 129,695	\$ 91,997

The significant increase in working capital as at March 31, 2015 as compared to March 31, 2014, principally reflects the net proceeds of the follow-on offering and an increase in long term debt financing in fiscal 2015.

## Indebtedness

As of March 31, 2015, we had aggregate outstanding indebtedness of \$314.7 million, and cash and cash equivalents of \$153.7 million. At March 31, 2015, the total available facilities were comprised of (i) revolving credit facilities, secured term loans and vehicle loans of \$200.4 million at Eros India and Eros Worldwide, (ii) a committed \$15.9 million secured overdraft facility at Eros International Limited. In addition, at March 31, 2015, \$25.7 million of unsecured commercial paper had been issued by Eros India, and Eros International plc has debt of \$72.6 million in relation to a retail bond offering for £50 million in October 2014. As at March 31, 2015, there were undrawn amounts under our facilities of \$0.8 million.

	As of March 31, 2015 (in thousands)
Eros India	
Secured revolving credit facilities	\$ 26,546
Secured term loans	25,695
Unsecured commercial paper	25,668
Vehicle loans	140
Total	\$ 78,050
Eros International plc	
Retail Bond	\$ 72,623
Eros International Limited	
Secured overdraft	\$ 15,945
Eros International USA Inc.	
Vehicle loans	\$ 7
Eros Worldwide	
Revolving credit facility <sup>(1)</sup>	\$ 141,250
Interest swap financing facility	6,795
Total	\$ 148,045
Total	\$ 314,670

(1) Borrowers under the revolving credit facility are Eros International Plc, Eros Worldwide, and Eros International USA Inc.



Certain of our borrowings and loan agreements, including our new credit facility, contain customary covenants, including covenants that restrict our ability to incur additional indebtedness, create or permit liens on our assets or engage in mergers and acquisitions. Such agreements also contain various customary events of default with respect to the borrowings, including the failure to pay interest or principal when due and cross default provisions, and, under certain circumstances, lenders may be able to require repayment of loans to Eros India or Eros Films prior to their maturity. If an event of default occurs and is continuing, the principal amounts outstanding, together with all accrued unpaid interest and other amounts owed may be declared immediately due and payable by the lenders. If such an event were to occur, we would need to pursue new financing that may not be on as favorable terms as our current borrowings. We are currently in full compliance with all of our agreements governing indebtedness.

Borrowings under our revolving credit facility maturing in 2017 bear interest at LIBOR, or in the case of future borrowings in Euros, EURIBOR, floating rates with margins between 1.9% and 2.9% plus mandatory cost. Borrowings under our term loan facilities, overdraft facility and revolving credit facilities at Eros India and Eros Films mature between 2015 and 2018 and bear interest at fluctuating interest rates pursuant to the relevant sanction letter governing such loans. As of March 31, 2015, our unsecured commercial paper issued by Eros India bore discount rates between 10.7% and 13.0% and has maturity dates ranging from one month to six months of the date of issuance thereof.

In October 2014, Eros completed an offering of 6.50% Retail Bonds (due 2021), raising GBP 50,000,000 (\$77,930,000) in total proceeds net of transaction cost of approximately GBP 1 million (USD \$1,791,000). Interest on these bonds is payable biannually on April 15 and October 15 each year.

We expect to renew, replace or extend our borrowings as they reach maturity. As at March 31, 2015, Eros had net undrawn amounts of \$800,000 (2014: \$19,757,000) available.

#### **Sources and Uses of Cash**

	Year Ended March 31,		
	2015	2014 (in thousands)	2013
Net cash from operating activities	\$ 117,955	\$ 132,532	\$ 137,447
Net cash used in investing activities	\$ (279,240)	\$ (161,020)	\$ (182,328)
Net cash from financing activities	\$ 177,561	\$ 69,397	\$ 11,471

#### **Year ended March 31, 2015 Compared to Year Ended March 31, 2014**

Net cash from operating activities in fiscal 2015 was \$118.0 million, compared to \$132.5 million in fiscal 2014, a decrease of \$14.5 million, or 10.9%, which included a decrease in interest paid of \$2.7 million and an increase in income taxes paid of \$5.3 million, from fiscal 2014. There was an increase in working capital of \$92.5 million in fiscal 2015 primarily due to an increase in trade receivables of \$94.0 million and an increase of \$1.4 million in trade payables compared to a \$34.2 million increase in trade receivables and a \$0.9 million increase in trade payables in fiscal 2014.

Net cash used in investing activities in fiscal 2015 was \$279.2 million, compared to \$161.0 million in fiscal 2014, an increase of \$118.2 million, or 73.4%, reflecting the change in the number and mix of films released in fiscal 2014 and our investment in film content in future years. Our investment in film content in fiscal 2015 was \$276.2 million, compared to \$163.2 million in fiscal 2014, an increase of \$113.0 million, or 69.2%.

Net cash from financing activities in fiscal 2015 was \$177.6 million, compared to \$69.4 million in fiscal 2014, an increase of \$108.2 million, or 155.9%, primarily attributable to net share capital proceeds of \$92.3 million from our follow on equity offering, net proceeds of short-term borrowings of \$1.5 million and proceeds of net long-term borrowings of \$63.6 million principally from our Retail Bond.

#### **Year ended March 31, 2014 Compared to Year Ended March 31, 2013**

Net cash from operating activities in fiscal 2014 was \$132.5 million, compared to \$137.4 million in fiscal 2013, a decrease of \$4.9 million, or 3.6%, which included a decrease in income taxes paid of \$5.6 million and an increase in interest paid of \$5.0 million, from fiscal 2013. In addition, there was an increase in working capital of \$30.9 million in fiscal 2014 primarily due to an increase in trade receivables of \$34.2 million and an increase of \$0.9 million in trade payables compared to a \$13.6 million increase in trade payables and an increase in trade receivables of \$21.7 million in fiscal 2013.

Net cash used in investing activities in fiscal 2014 was \$161.0 million, compared to \$182.3 million in fiscal 2013, a decrease of \$21.3 million, or 11.7%, reflecting the change in the number and mix of films released in fiscal 2014 and our investment in film content in future years. Our investment in film content in fiscal 2014 was \$163.2 million, compared to \$186.7 million in fiscal 2013, a decrease of \$23.6 million, or 12.6%.

Net cash from financing activities in fiscal 2014 was \$69.4 million, compared to \$11.5 million in fiscal 2013, an increase of \$57.9 million, or 503.5%, attributable to net share capital proceeds of \$50.7 million from our NYSE listing, net proceeds of short-term borrowings of \$10.4 million and proceeds of net long-term borrowings of \$8.1 million.

## Capital Expenditures

In fiscal 2015, we invested \$276.2 million in film content, and in fiscal 2016 we expect to invest approximately \$225 million in film content.

## C. Research and development

Not applicable

## D. Trend information

### New accounting pronouncements issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for our accounting periods beginning on or after April 1, 2015 or later periods. Those which are considered to be relevant to our operations are set out below.

### IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). This standard provides a single, principle-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various other related matters. IFRS 15 also introduced new disclosure requirements with respect to revenue.

The five steps in the model under IFRS 15 are : (i) identify the contract with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contracts; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 replaces the following standards and interpretations:

- IAS 11 Construction Contracts
- IAS 18 Revenue
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 18 Transfers of Assets from Customers
- SIC-31 Revenue - Barter Transactions Involving Advertising Services

When first applying IFRS 15, it should be applied in full for the current period, including retrospective application to all contracts that were not yet complete at the beginning of that period. In respect of prior periods, the transition guidance allows an option to either:

- apply IFRS 15 in full to prior periods (with certain limited practical expedients being available); or
- retain prior period figures as reported under the previous standards, recognizing the cumulative effect of applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application (beginning of current reporting period).

IFRS 15 is effective for fiscal years beginning on or after January 1, 2017. Earlier application is permitted. The Company is currently evaluating the impact that this new standard will have on its consolidated financial statements.

### IAS 16 Property Plant and Equipment and IAS 38 Intangible Assets

In May 2014, the IASB issued two amendments with respect to IAS 16 Property, Plant and Equipment ("IAS 16") and IAS 38 Intangible Assets ("IAS 38") dealing with acceptable methods of depreciation and amortization.

The amended IAS 16 prohibits entities from using a revenue based depreciation method for items of property, plant and equipment. Further the amendment under IAS 38 introduces a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible assets. However this presumption can only be rebutted in two limited circumstances;

- the intangible is expressed as a measure of revenue i.e. when the predominant limiting factor inherent in an intangible asset is the achievement of a contractually specified revenue threshold; or
- it can be demonstrated that revenue and the consumption of economic benefits of the intangible assets are highly correlated. In these circumstances, revenue expected to be generated from the intangible assets can be an appropriate basis for amortization of the intangible asset.

The amendments apply prospectively and are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted. The Company is currently evaluating the impact that this amendment to IAS 16 and IAS38 will have on its consolidated financial statements.

### **IFRS 9 Financial Instruments**

In July 2014, the IASB finalized and issued IFRS 9 – Financial Instruments. IFRS 9 replaces IAS 39 “Financial instruments: recognition and measurement, the previous Standard which dealt with the recognition and measurement of financial instruments in its entirety upon the former’s effective date.

The Key requirements of IFRS 9:

- Replaces IAS 39’s measurement categories with the following three categories:
  - fair value through profit or loss
  - fair value through other comprehensive income
  - amortized cost
- Eliminates the requirement for separation of embedded derivatives from hybrid financial assets, the classification requirements to be applied to the hybrid financial asset in its entirety.
- Requires an entity to present the amount of change in fair value due to change in entity’s own credit risk in other comprehensive income.
- Introduces new impairment model, under which the “expected” credit loss are required to be recognized as compared to the existing “incurred” credit loss model of IAS 39.
- Fundamental changes in hedge accounting by introduction of new general hedge accounting model which:
  - Increases the eligibility of hedged item and hedging instruments;
  - Introduces a more principles-based approach to assess hedge effectiveness.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

Earlier application is permitted provided that all the requirements in the Standard are applied at the same time with two exceptions:

- The requirement to present changes in the fair value of a liability due to changes in own credit risk may be applied early in isolation;
- Entity may choose as its accounting policy choice to continue to apply hedge accounting requirements of IAS 39 instead of new general hedge accounting model as provided in IFRS 9.

The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

## Quarterly Financial Information

The table below presents our selected unaudited quarterly results of operations for the four quarters in the fiscal year ended March 31, 2015. This information should be read together with our consolidated financial statements and related notes included elsewhere in this annual report. We have prepared the unaudited financial data for the quarters presented on the same basis as our audited consolidated financial statements. The historical quarterly results presented below are not necessarily indicative of the results that may be expected for any future quarters or periods.

	Three Months Ended			
	June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015
	(dollars in thousands)			
<b>Selected Quarterly Results of Operations</b>				
Revenue	\$ 45,362	\$ 49,915	\$ 100,405	\$ 88,493
Cost of sales	(33,224)	(29,505)	(45,064)	(47,984)
Gross profit	12,138	20,410	55,341	40,509
Administrative costs	(9,966)	(11,935)	(11,996)	(15,649)
Operating profit	2,172	8,475	43,345	24,860
Net finance costs	(1,620)	(715)	(2,539)	(987)
Other losses	(1,599)	(288)	(3,883)	(4,713)
(Loss)/profit before tax	(1,047)	7,472	36,923	19,160
Income tax expense	(1,541)	(3,148)	(8,685)	196
Net (loss)/income	<u>\$ (2,588)</u>	<u>\$ 4,324</u>	<u>\$ 28,238</u>	<u>\$ 19,356</u>
<b>OTHER NON-GAAP MEASURES</b>				
EBITDA <sup>(1)</sup>	\$ 881	\$ 8,732	\$ 39,844	\$ 20,609
Adjusted EBITDA <sup>(1)</sup>	\$ 8,068	\$ 13,888	\$ 49,228	\$ 29,966
<b>OPERATING DATA</b>				
High budget film releases <sup>(2)</sup>	1	1	3	1
Medium budget film releases <sup>(2)</sup>	3	3	2	4
Low budget film releases <sup>(2)</sup>	5	17	8	17
Total new film releases <sup>(2)</sup>	<u>9</u>	<u>21</u>	<u>13</u>	<u>22</u>

(1) We use EBITDA and Adjusted EBITDA as supplemental financial measures. EBITDA is defined by us as net income before interest expense, income tax expense and depreciation and amortization (excluding amortization of capitalized film content and debt issuance costs). Adjusted EBITDA is defined as EBITDA adjusted for impairments of available-for-sale financial assets, profit/loss on held for trading liabilities (including profit/loss on derivatives), transaction costs relating to equity transactions and share based payments. EBITDA, as used and defined by us, may not be comparable to similarly-titled measures employed by other companies and is not a measure of performance calculated in accordance with GAAP. EBITDA should not be considered in isolation or as a substitute for operating income, net income, cash flows from operating investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP. EBITDA and Adjusted EBITDA provide no information regarding a company's capital structure, borrowings, interest costs, capital expenditures and working capital movement or tax position. However, our management team believes that EBITDA and Adjusted EBITDA are useful to an investor in evaluating our results of operations because these measures:

- are widely used by investors to measure a company's operating performance without regard to items excluded from the calculation of such term, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired, among other factors;
- help investors to evaluate and compare the results of our operations from period to period by removing the effect of our capital structure from our operating structure; and
- are used by our management team for various other purposes in presentations to our board of directors as a basis for strategic planning and forecasting.

There are significant limitations to using EBITDA and Adjusted EBITDA as a measure of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss, the lack of comparability of results of operations of different companies and the different methods of calculating EBITDA and Adjusted EBITDA reported by different companies.

The following table sets forth the reconciliation of our net income to EBITDA and Adjusted EBITDA:

	Three Months Ended			
	June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015
	(in thousands)			
Net (loss)/income	\$ (2,588)	\$ 4,324	\$ 28,238	\$ 19,356
Income tax expense	1,541	3,148	8,685	(196)
Net finance costs	1,620	715	2,539	987
Depreciation	242	364	259	224
Amortization <sup>(a)</sup>	66	181	123	238
EBITDA	881	8,732	39,844	20,609
Impairment of available-for-sale financial assets	—	—	—	1,307
Share based payments <sup>(b)</sup>	4,782	5,466	6,073	5,594
Net loss/(gain) on held for trading financial liabilities	2,405	(396)	3,311	2,481
Transaction costs relating to equity transactions	—	86	—	(25)
Adjusted EBITDA	<u>\$ 8,068</u>	<u>\$ 13,888</u>	<u>\$ 49,228</u>	<u>\$ 29,966</u>

a) Includes only amortization of intangible assets other than intangible content assets.

b) Consists of compensation costs recognized with respect to all outstanding plans and all other equity settled instruments.

2) Includes films that were released by us directly and licensed by us for release.

Our revenues and operating results are significantly affected by the timing, number and breadth of our theatrical releases and their budgets, the timing of television syndication agreements, and our amortization policy for the first 12 months of commercial exploitation for a film. The timing of releases is determined based on several factors. A significant portion of the films we distribute are delivered to Indian theaters at times when theater attendance has traditionally been highest, including school holidays, national holidays and the festivals. This timing of releases also takes into account competitor film release dates, major cricket events in India and film production schedules. Significant holidays and festivals, such as Diwali, Eid and Christmas, occur during July to December each year, and the Indian Premier League cricket season generally occurs during April and May of each year. The Tamil New Year, called Pongal, falls in January each year making the quarter ending March an important one for Tamil releases.

In the four quarters ended March 31, 2015, revenue fluctuations primarily reflected the timing of major theatrical releases, with our highest quarterly revenues of \$100.4 million in the three months ended December 31, 2014 as a result of the high budget theatrical releases such as *Lingaa*, *Action Jackson*, *Happy Ending*, and *Kaththi*. The quarterly release schedule of new films led to the lowest quarterly revenues of \$45.4 million in the three months ended June 30, 2014. The fluctuations in other losses reflect the changes in mark to market values of our interest derivative liabilities.

Although our revenues are typically highest in the third quarter of our fiscal year (i.e., the quarter ended December 31), quarterly results can vary from one year to the next, and the results of one quarter are not necessarily indicative of results for the next or any future quarter. Our revenue and operating results are therefore seasonal in nature due to the impact on income of the timing of new releases.

#### E. Off-Balance Sheet Arrangements

From time to time, to satisfy our filmed content purchase contracts, we obtain guarantees or other contractual arrangements, such as letters of credit, as support for our payment obligations.

As of March 31, 2015, the Group has provided certain stand-by letters of credit amounting to \$96.2 million (2014: \$99.3 million) which are in the nature of performance guarantees issued while entering into film co-production contracts and are valid until funding obligations under these contracts are met. These guarantees, issued in connection with the aforementioned content commitments, have varying maturity dates.

In addition, the Group issued financial guarantees amounting to \$3.0 million (2014: \$8.2 million) in the ordinary course of business, having varying maturity dates normally up to the next 24 months. The Group is only called upon to satisfy a guarantee when the guaranteed party fails to meet its obligations.

The Group did not earn any fee to provide such guarantees. It does not anticipate any liability on these guarantees as it expects that most of these will expire unused.

## F. Contractual Obligations

We have commitments under certain firm contractual arrangements, or firm commitments, to make future payments. These firm commitments secure future rights to various assets and services to be used in the normal course of our operations. The following table summarizes our firm commitments as of March 31, 2015.

	As of March 31, 2015				
	Total	Less than 1 year	1-3 years (in thousands)	3-5 years	More than 5 years
<i>Recorded Contractual Obligations</i>					
Debt	\$ 314,670	\$ 96,397	\$ 136,608	\$ 4,867	\$ 76,798
<i>Unrecorded Contractual Obligations</i>					
Operating leases	1,649	568	1,081	—	—
Film entertainment rights purchase obligations	260,573	109,908	150,665	—	—
Interest payments on debt <sup>(1)</sup>	41,908	9,963	14,928	9,985	7,032
<b>Total</b>	<b>304,130</b>	<b>120,439</b>	<b>166,044</b>	<b>9,985</b>	<b>7,032</b>

(1) The amounts shown in the table include future interest payments on variable and fixed rate debt at current interest rates ranging from 0.75% to 16%.

## G. Safe Harbor

See “Special Note Regarding Forward-Looking Statements” at the beginning of this Annual Report on Form 20-F.

## ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### A. Directors and Executive Officers

Our Board of Directors consists of nine directors.

The following table sets forth the name, age (as at June 30, 2015) and position of each of our directors and executive officers as at the date hereof.

Name	Age	Position/s
<b>Directors</b>		
Kishore Lulla	53	Director, Executive Chairman
Jyoti Deshpande	44	Director, Group Chief Executive Officer, Managing Director
Vijay Ahuja	58	Director, Vice Chairman
Sunil Lulla	51	Director, Executive Vice Chairman
Naresh Chandra <sup>(1)(2)(3)(4)</sup>	80	Director, Chairman of Remuneration Committee and Nomination Committee
Dilip Thakkar <sup>(1)(2)(3)(4)</sup>	78	Director, Chairman of Audit Committee
David Maisel <sup>(1)</sup>	53	Director
Rishika Lulla	28	Director
Rajeev Misra <sup>(1)</sup>	53	Director
<b>Senior Management</b>		
Prem Parameswaran	46	President of US Operations and Chief Financial Officer <sup>(5)</sup>
Mark Carbeck	43	Chief Corporate & Strategy Officer
Pranab Kapadia	43	President of Europe and Africa Operations
Surender Sathwani	59	President of Middle East Operations
Ken Naz	56	President of US – Film Distributions

(1) Independent director

(2) Member of the Audit Committee

(3) Member of the Remuneration Committee

(4) Member of the Nomination Committee

(5) Andrew Heffernan is Group Chief Financial Officer of the Company at the time of filing of this document, however he has served notice to resign from this position in June 2015 and will be succeeded by Prem Parameswaran.

Summarized below is relevant biographical information covering at least the past five years for each of our directors and executive officers.

## Directors

*Mr. Kishore Lulla* is a director and our Chairman. Mr. Lulla received a bachelor's degree in Arts from Mumbai University. He has over 30 years of experience in the media and film industry. He is a member of the British Academy of Film and Television Arts and Young Presidents' Organization and also a board member for the School of Film at the University of California, Los Angeles. He has been honored at the Asian Business Awards 2007 and the Indian Film Academy Awards 2007 for his contribution in taking Indian cinema global. As our Chairman, he has been instrumental in expanding our presence in the United Kingdom, the U.S., Dubai, Australia, Fiji and other international markets. He served as our Chief Executive Officer from June 2011 until May 2012 and has served as a director since 2005. Mr. Kishore Lulla is the father of Mrs. Lulla Singh, the brother of Mr. Sunil Lulla and a cousin of Mr. Ahuja and Mr. Sadhwani.

*Ms. Jyoti Deshpande* is a director and our Group Chief Executive Officer and Managing Director. She had worked with us from 2001 until May 2011 when she resigned from our Board and served as a Consultant to the Company until November 2011 in connection with our initial public offering in the U.S. She rejoined the Company in her former Group CEO/MD position on June 22, 2012. With a degree in Commerce and Economics and an MBA from Mumbai University, Ms. Deshpande has over 22 years of experience in Indian media and entertainment across advertising, media consulting, television and film. Ms. Deshpande has been a key member of the Eros leadership team since 2001 and was instrumental in our initial public offering on AIM in 2006, Eros India's listing on the Indian Stock Exchanges in 2010 and our initial public offering on the NYSE in November 2013.

*Mr. Vijay Ahuja* is a director and our Vice Chairman. Mr. Ahuja received a bachelor's degree in commerce from Mumbai University. Mr. Ahuja co-founded our United Kingdom business in 1988 and has since played an important role in implementing our key international strategies, helping expand our business to its present scale by making a significant contribution to our development in the South East Asian markets, such as Singapore, Malaysia, Indonesia and Hong Kong. Mr. Ahuja has served as a director since April 2005. Mr. Ahuja is a cousin of Mr. Kishore Lulla and Mr. Sunil Lulla.

*Mr. Sunil Lulla* is a director and is Executive Vice Chairman and Managing Director of Eros India. He received a bachelor's degree in commerce from Mumbai University. Mr. Lulla has over 20 years of experience in the media industry. Mr. Lulla has valuable relationships with talent in the Indian film industry and has been instrumental in our expansion into distribution in India as well as home entertainment and music. He has served as a director since 2005 and led our growth within India for many years before being appointed Executive Vice Chairman and Managing Director of Eros India in February 2010. Mr. Sunil Lulla is the brother of Mr. Kishore Lulla, uncle of Mrs. Lulla Singh and the and cousin of Mr. Ahuja and Mr. Sadhwani.

*Mr. Naresh Chandra* is a director. Mr. Chandra received a master's degree in Science from Allahabad University. A former civil servant, he joined the Indian Administrative Services in 1956 and has served as Chief Secretary in the State of Rajasthan, Commonwealth Secretariat Advisor on Export Industrialization and Policy in Colombo (Sri Lanka), Advisor to the Governor of Jammu and Kashmir and Secretary to the Ministries of Water Resources, Defense, Home and Justice in the Government of India. In December 1990, he became Cabinet Secretary, the highest post in the Indian civil service. In 1992, he was appointed Senior Advisor to the Prime Minister of India. He served as the Governor of the state of Gujarat in 1995-1996 and Ambassador of India to the United States of America in 1996-2001. In 2007, he chaired the Government of India's Committee on Corporate Audit and Governance, the Committee on Private Companies and Limited Liability Partnerships and the Committee on Civil Aviation Policy, and he was honored with the Padma Vibhushan, a high civilian award. Mr. Chandra serves as director of seven other Indian companies and one foreign company. He has served as a director since July 2007.

*Mr. Dilip Thakkar* is a director. Mr. Thakkar received a degree in Commerce and Law from Mumbai University. A practicing chartered accountant since 1961, Mr. Thakkar has significant financial experience. He is a senior partner of Jayantilal Thakkar & Co. Chartered Accountants and a member of the Institute of Chartered Accountants in India. In 1986 he was appointed by the Reserve Bank of India as a member of the Indian Advisory Board for HSBC Bank and the British Bank of the Middle East for a period of eight years. He is the former President of the Bombay Chartered Accountants' Society and was then Chairman of its International Taxation Committee. Mr. Thakkar serves as a non-executive director of seven other listed public limited companies in India and seven foreign companies. He has served as a director since April 2006.

*Mr. David Maisel* is a director. Mr. Maisel has been an Advisor to Rovio, the owners of Angry Birds, since 2011, and is the Executive Producer of the Angry Birds feature film to be released in 2016. Prior to this he served in senior executive positions with Marvel Entertainment from 2003 until 2010, where he conceived and spearheaded the creation of Marvel Studios, the launch of the "Iron Man" franchise, and Marvel's 2010 sale to The Walt Disney Company. At Marvel, he was Chairman of Marvel Studios and also in the Office of the Chief Executive for its parent company, Marvel Entertainment. He was also the Executive Producer of "Iron Man," "The Incredible Hulk," "Iron Man 2," "Thor," and "Captain America: The First Avenger." Prior to Marvel, Mr. Maisel served in senior executive positions at Endeavor Talent Agency, The Walt Disney Company, Creative Artists Agency, Chello Broadband, and The Boston Consulting Group. He is a graduate of Harvard Business School and Duke University. He has served as a director since November 2014.

*Mrs. Rishika Lulla Singh* is a director and the CEO of Eros Digital, which covers all of the digital initiatives for Eros including Eros Now. Mrs. Lulla Singh has been instrumental in spearheading the growth and development of Eros Now within India and internationally. She holds a BA in South Asian Studies and Management from the School Of Oriental and African Studies and has completed postgraduate studies at the UCLA School of Theatre, Film and Television. She has done several placements at prestigious global financial firms including Citi, Grant Thornton and RBS. Mrs. Lulla Singh is the daughter of Mr. Kishore Lulla and the niece of Mr. Sunil Lulla. She has served as director since November 2014.

*Mr. Rajeev Misra* is a director. Mr. Misra was recently appointed head of Strategic Finance for SoftBank group. Prior to this appointment, Mr. Misra was a Senior Managing Director at Fortress Investment Group where he was the head of European investments. Previously, he served as Group Managing Director for UBS in London and was responsible for leverage finance, global credit, commercial real estate and emerging markets. Mr. Misra also spent 17 years in various senior leadership roles at Deutsche Bank and Merrill Lynch. Mr. Misra holds an MBA from the Sloan School of Management at Massachusetts Institute of Technology and a Master's degree in Computer Science and Bachelor's degree in Mechanical Engineering from the University of Pennsylvania. He has served as a director since December 2014.

#### **Senior Management**

*Mr. Prem Parameswaran* is our Group Chief Financial Officer and President of Eros International's U.S. operations and succeeds Mr. Andrew Heffernan as our Group Chief Financial Officer. Mr. Parameswaran joins Eros with over 23 years of experience in investment banking, advising clients in the global telecommunications, media and technology sector, including on mergers and acquisitions and public, private equity and debt financings. Mr. Parameswaran most recently served as the Global Head of Media and Telecommunications Investment Banking at Jefferies LLC. Prior to Jefferies, he was the Americas Head of Media & Telecom at Deutsche Bank and also previously worked at both Goldman Sachs and Salomon Brothers. Mr. Parameswaran graduated from Columbia University and received an MBA from Columbia Business School. Mr. Parameswaran joined us in June 2015.

*Mr. Mark Carbeck* is our Chief Corporate & Strategy Officer, with management responsibility for Investor Relations, Group M&A and Corporate Finance. Mr. Carbeck was formerly a Director in Citigroup's Investment Banking Division in London, having joined the firm in New York in 1997. Most recently Mr. Carbeck led the European Media investment banking coverage efforts at Citigroup and has deep media industry knowledge and strong relationships with major United Kingdom and international media companies. Mr. Carbeck graduated from the University of Chicago in 1994 with a Bachelor's degree in History. Mr. Carbeck joined us in April 2014.

*Mr. Pranab Kapadia* is our President of United Kingdom, Europe and Africa Operations. Mr. Kapadia received a Master's degree in Management Studies from Bombay University (India) majoring in Finance. Mr. Kapadia's experience as Head of Operations & Programming for Zee Network in Europe for eight years and Business Head of Adlabs Films (U.K.) Limited for one year has given him significant insight into developing technical solutions with minimum costs in order to keep entry barriers low for price sensitive Asian customer and a strong understanding of the entertainment needs of South Asians internationally. He joined us in 2007.

*Mr. Surender Sadhwani* is our President of Middle East Operations. Mr. Sadhwani received a post graduate degree in commerce from University of Madras in 1980. He has 22 years of experience in the banking industry through his work with Andhra Bank in Chennai. In addition, Mr. Sadhwani spent several years in finance and account management for Hartmann Electronics in their Dubai office. He joined our Middle East operations in April 2004 and was promoted to President of Middle East Operations in April 2006. Mr. Sadhwani is a cousin of Mr. Kishore Lulla and Mr. Sunil Lulla.

*Mr. Ken Naz* is our President of U.S. – Film Distributions. Mr. Naz has over 30 years of experience in media and entertainment. In the early 1970s, Mr. Naz worked in the Indian film distribution and exhibition business in Canada. He obtained his business education at a Toronto University before joining Cineplex Odeon Cinemas in the business development department and later serving as head of operations of "A Theater Near You." Mr. Naz joined us in 1997 and was instrumental in setting up our U.S. office to service markets in the United States, Canada and other parts of North and South America.

#### **B. Compensation**

Compensation of senior executive directors officers and directors is determined by the Remuneration Committee of our Board of Directors. The Remuneration Committee reviews the performance of our directors and each of our executive officers and sets the scale and structure of their compensation. Where required, the Remuneration Committee engages the services of external companies for the purposes of benchmarking of executive remuneration or such other remuneration related matter. As part of its role of overseeing the scale and structure of the compensation paid to our executive officers, the Remuneration Committee approves their service agreements with our subsidiaries and any bonus paid by our subsidiaries to such officers. The current members of the Remuneration Committee are two of our non-executive directors, Naresh Chandra and Dilip Thakkar.



In determining the scale and structure of the compensation for executive directors and senior executives, the Remuneration Committee takes into account the need to offer a competitive compensation structure to attract and maintain a skilled and experienced management team. The Remuneration Committee creates competitive compensation programs by reviewing market data and setting compensation at levels comparable to those at our competitors. We believe that a compensation program with a strong performance based element is a prerequisite to obtaining our performance and growth objectives.

The main components of the compensation for our executive officers are a base salary, share awards, annual bonus and stock options.

The Remuneration Committee reviews these three compensation components in light of individual performance of the executive officers, external market data and reports provided by outside experts or advisors. For information about service contracts entered into by us, or our subsidiaries, and certain of our executives, see “Part I — Item 6. Directors, Senior Management and Employees — C. Board Practices.”

The compensation of our non-executive directors is set by our board of directors as a whole, after consulting with outside experts or advisors.

The following tables and footnotes show the remuneration of each of our directors for fiscal 2015:

	Year ended March 31,				
	2015 Salary	2015 Director Fees	2015 Benefits <sup>(1)</sup> (in thousands)	2015 Total	2014 Total
Kishore Lulla	\$ 1,189	\$ —	\$ 4	\$ 1,193	\$ 1,336
Jyoti Deshpande	698	—	—	698	641
Vijay Ahuja	399	—	—	399	440
Sunil Lulla <sup>(2)</sup>	576	—	60	636	925
Naresh Chandra	—	192	—	192	254
DilipThakkar	—	97	—	97	88
Michael Kirkwood <sup>(3)</sup>	—	67	—	67	99
Greg Coote <sup>(4)</sup>	—	—	—	—	38
David Maisel <sup>(5)</sup>	—	35	—	35	—
Rishika Lulla Singh <sup>(5)</sup>	108	—	—	108	—
Rajeev Misra <sup>(6)</sup>	—	—	—	—	—
<b>Total</b>	<b>\$ 2,970</b>	<b>\$ 391</b>	<b>\$ 64</b>	<b>\$ 3,425</b>	<b>\$ 3,821</b>

(1) Health insurance, except for Sunil Lulla (see Note (2) below).

(2) Sunil Lulla’s fiscal 2015 compensation consisted of the following (Indian Rupees translated to U.S. dollars at a rate of INR 60.6 per \$1.00):

Particulars	Sunil Lulla INR	Sunil Lulla USD
Basic salary	12,000,000	\$ 198,072
Incentive compensation	5,324,000	87,878
Reimbursements car/entertainment etc.	2,439,600	40,268
Medical reimbursement	15,000	248
Special pay	15,129,000	249,720
Company rent accommodation	3,600,000	59,422
Director’s fees	—	—
<b>Total India</b>	<b>38,507,600</b>	<b>\$ 635,608</b>
Eros International Plc directors fee	—	—
<b>Total salary</b>	<b>38,507,600</b>	<b>\$ 635,608</b>

(3) Michael Kirkwood ceased being a Director on December 1, 2014.

(4) Greg Coote passed away while in office in June 2014.

(5) David Maisel and Rishika Lulla Singh were appointed as Directors on November 12, 2014.

(6) Rajeev Misra was appointed as a Director on December 1, 2014.

The total compensation paid to our executive officers in fiscal 2015 was \$15.8 million (2014: \$20.6 million).

The following table and footnotes show the cost recognized in fiscal 2015 in respect to all outstanding plans and by grant of shares, which are all equity settled instruments, to our directors is as follows:

	September 18, 2013	June 5, 2014	Option 2014	IPO India Plan	JSOP	Total
	(in thousands)					
Kishore Lulla	\$ —	\$ 1,676	\$ —	\$ —	—	\$ 1,676
Jyoti Deshpande	8,758	1,117	—	162	—	10,037
Sunil Lulla	—	1,241	—	—	—	1,241
Dilip Thakkar	—	186	—	—	—	186
Naresh Chandra	—	186	—	—	—	186
Michael Kirkwood	—	186	—	—	—	186
David Maisel	—	—	554	—	—	554
Rishika Lulla Singh	—	591	—	—	590	1,181
Rajeev Misra	—	—	—	—	—	—
Total	\$ 8,758	\$ 5,183	\$ 554	\$ 162	590	\$ 15,247

The awards made in fiscal 2015 comprised of share and option awards. On June 5, 2014, the Board of Directors approved a grant of 375,000 'A' Ordinary share awards with a fair market value of \$14.95 per option, to certain executive directors. These awards vest subject to certain share price conditions being met on or before May 31, 2015 and the directors remaining in service until May 31, 2015. After meeting the share price condition, the shares were issued on December 1, 2014, subject to the condition that the directors remained in service until May 31, 2015. None of the awards were forfeited during the period.

	Number of shares
Kishore Lulla	135,000
Sunil Lulla	100,000
Jyoti Deshpande	90,000
Rishika Lulla Singh	50,000

On September 9, 2014, 36,000 'A' ordinary shares were issued at \$15.97 per share.

	Number of shares
Dilip Thakkar	12,000
Naresh Chandra	12,000
Michael Kirkwood	12,000

The details of the remaining awards in the year to directors are shown in the following table:

Name	Plan	Date of Grant	Number of shares Granted for Fiscal 2015	Grant Date Fair Value (\$)	Expiration Date
David Maisel	Other share option awards	29-Apr-14	324,537	\$ 6.37	13-Feb-20
Rishika Singh Lulla	JSOP Plan	22-Aug-14	242,035	\$ 4.13	22-Aug-24

#### Eros India Incentive Compensation

Pursuant to a resolution of its board of directors dated November 11, 2011 and a resolution of its shareholders dated December 29, 2011, Eros India approved payment of an incentive bonus to Kishore Lulla and Sunil Lulla for services to Eros India of up to 1% of the net profits of Eros India in accordance with applicable India law. Any such incentive bonus shall be payable only as determined by the Board of Directors of Eros India from time to time. Kishore Lulla was eligible for this incentive bonus for a period of three years, until October 31, 2014. Sunil Lulla is eligible for this incentive bonus for the remainder of his tenure in office. The Remuneration Committee will take into account any of these incentive bonuses paid to Kishore Lulla or Sunil Lulla when making compensation determinations for each of them.

### Share-Based Compensation Plans

The compensation cost recognized with respect to all outstanding plans and by grant of shares, which are all equity settled instruments, is as follows:

	Year ended March 31		
	2015	2014 (in thousands)	2013
IPO India Plan	\$ 869	\$ 499	\$ 703
JSOP Plan	1,603	1,075	—
Option award scheme 2012	1,824	—	—
2014 Share Plan	264	—	—
2015 Share Plan	60	—	—
Other share option awards	554	—	—
Management scheme (staff share grant)	16,741	16,847	1,185
	<u>\$ 21,915</u>	<u>\$ 18,421</u>	<u>\$ 1,888</u>

### Joint Stock Ownership Plan

In April 2012, the Company established a controlled trust called the Eros International Plc Employee Benefit Trust (“JSOP Trust”). The JSOP Trust purchased 2,000,164 shares of the Company out of funds borrowed from the Company and repayable on demand. The Company’s Board, Nomination and Remuneration Committee recommends to the JSOP Trust certain employees, officers and key management personnel, to whom the JSOP Trust will be required to grant shares from its holdings at nominal price. Such shares are then held by the JSOP Trust and the scheme is referred to as the “JSOP Plan.” The shares held by the JSOP Trust are reported as a reduction in stockholders’ equity and termed as ‘JSOP reserves.’

The movement in the shares held by the JSOP Trust is given below:

	Year ended March 31		
	2015	2014 (in thousands)	2013
Shares held at the beginning of the period	2,000,164	2,000,164	2,000,164
Shares granted to employees	(80,704)	—	—
Shares held at the end of the period	<u>1,919,460</u>	<u>2,000,164</u>	<u>2,000,164</u>

### Employee Stock Option Plans

A summary of the general terms of grants under stock option plans and stock awards are as follows:

	Range of exercise prices
IPO India Plan	INR 10 – 161
IPO Plan – June 2006	GBP 5.28
JSOP Plan	\$ 11.00 - 15.34
Option award scheme 2012	\$ 11.00
2014 Share Plan	\$ 14.97 - 18.50
2015 Share Plan	\$ 14.97 - 19.17
Other share option awards	\$ 18.88

Employees covered under the stock option plans are granted an option to purchase shares of the Company at the respective exercise prices, subject to requirement of vesting conditions (generally service conditions). These options generally vest in tranches over a period of three to five years from the date of grant. Upon vesting, the employees can acquire one share for every option. The maximum contractual term for these stock option plans ranges between seven to ten years.

The activity in these stock option plans is summarized below:

Name of Plan	Year ended March 31								
	2015		2014		2013				
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price			
Outstanding at the beginning of the year									
Granted	1,397,682	INR 120	1,176,568	INR 112	811,861	INR 152			
Exercised	691,961	10	300,000	150	571,160	74			
Forfeited and lapsed	(534,084)	153	(51,850)	98	(184,483)	161			
Outstanding at the end of the year	(118,159)	147	(27,036)	175	(21,970)	116			
Exercisable at the end of the year	1,437,400	52	1,397,682	120	1,176,568	112			
	413,337	INR 82	646,474	INR 136	312,687	INR 102			
Outstanding at the beginning of the year									
Granted	62,438	GBP 5.28	62,438	GBP 5.28	62,438	GBP 5.28			
Exercised	—	—	—	—	—	—			
Forfeited and lapsed	—	—	—	—	—	—			
Outstanding at the end of the year	62,438	GBP 5.28	62,438	GBP 5.28	62,438	GBP 5.28			
Exercisable at the end of the year	62,438	GBP 5.28	62,438	GBP 5.28	62,438	GBP 5.28			
Outstanding at the beginning of the year									
Granted	2,000,164	\$ 11.00	2,000,164	\$ 11.00	2,000,164	\$ 11.00			
Exercised	242,035	15.34	—	—	—	—			
Forfeited and lapsed	(80,704)	11.00	—	—	—	—			
Outstanding at the end of the year	(437,838)	11.00	—	—	—	—			
Exercisable at the end of the year	1,723,657	\$ 11.60	2,000,164	\$ 11.00	2,000,164	\$ 11.00			
	196,642	\$ 11.00	—	—	—	—			
Outstanding at the beginning of the year									
Granted	807,648	\$ 11.00	—	—	—	—			
Exercised	133,603	11.00	—	—	—	—			
Forfeited and lapsed	—	—	—	—	—	—			
Outstanding at the end of the year	674,045	\$ 11.00	—	—	—	—			
Exercisable at the end of the year	—	—	—	—	—	—			
Outstanding at the beginning of the year									
Granted	230,000	\$ 16.27	—	—	—	—			
Exercised	—	—	—	—	—	—			
Forfeited and lapsed	—	—	—	—	—	—			
Outstanding at the end of the year	230,000	\$ 16.27	—	—	—	—			
Exercisable at the end of the year	—	—	—	—	—	—			
Outstanding at the beginning of the year									
Granted	200,000	\$ 17.46	—	—	—	—			
Exercised	—	—	—	—	—	—			
Forfeited and lapsed	—	—	—	—	—	—			
Outstanding at the end of the year	200,000	\$ 17.46	—	—	—	—			
Exercisable at the end of the year	—	—	—	—	—	—			
Outstanding at the beginning of the year									
Granted	500,000	\$ 18.88	—	—	—	—			
Exercised	—	—	—	—	—	—			
Forfeited and lapsed	—	—	—	—	—	—			
Outstanding at the end of the year	500,000	\$ 18.88	—	—	—	—			
Exercisable at the end of the year	—	—	—	—	—	—			

Name of Plan	Year ended March 31								
	2015		2014		2013				
	Weighted average remaining life (Years)	Weighted average exercise price	Weighted average remaining life (Years)	Weighted average exercise price	Weighted average remaining life (Years)	Weighted average exercise price			
IPO India Plan	2.90	INR	52	2.63	INR	120	3.36	INR	109
IPO Plan June 2006	1.00	GBP	5.28	2.00	GBP	5.28	3.00	GBP	5.28
JSOP Plan	7.30	\$	11.60	8.00	\$	11.00	9.00	\$	11.00
Option award scheme 2012	5.50	\$	11.00	—	—	—	—	—	—
2014 Share Plan	6.47	\$	16.27	—	—	—	—	—	—
2015 Share Plan	6.49	\$	17.46	—	—	—	—	—	—
Other share option awards	5.00	\$	17.98	—	—	—	—	—	—

The following table summarizes information about inputs to the fair valuation model for options granted during the year:

	IPO India Plan	JSOP <sup>(4)</sup>	2012 Option award scheme	2014 Share plan	2015 Share plan	Other share option awards
Expected volatility <sup>(1)(2)</sup>	25% - 75%	37%	37%	37% - 40%	40%	37%
Option life (Years)	5.00 - 7.00	4.00	2.75	2.50 - 5.50	4.00 - 10.00	5.00
Dividend yield	0%	0%	0%	0%	0%	0%
Risk free rate	7.74% - 8.50%	0.18% - 3.33%	0.28% - 1.04%	0.27% - 1.70%	0.44% - 1.65%	1.00% - 1.46%
Average fair value of the granted options at the grant date <sup>(3)</sup>	INR 284 - 380	\$4.53	\$4.98 - 5.43	\$2.94 - 6.59	\$3.61 - 6.21	\$6.37

- (1) The expected volatility in respect of the IPO India Plan is based on the Company's historic volatility.
- (2) The expected volatility of all other options is based on the historic share price volatility over time periods comparable to the time from the grant date to the maturity dates of the options.
- (3) The fair value of options under the JSOP Plan was measured using a Monte-Carlo simulation models. Fair value of options granted under all other schemes is measured using a Black Scholes model.
- (4) Options under the JSOP Plan are subject to service and performance conditions as set out in the JSOP deed

#### Management Scheme (staff share grant)

On September 10, 2014, 36,000 'A' ordinary shares were issued to certain independent directors at \$15.97 per share based on the closing market price on such date, which vested on June 5, 2014.

On October 21, 2014, 116,730 'A' ordinary shares were issued to certain employees at \$17.07 per share based on the closing market price on such date. These shares are restricted and vest over a period of three years on a pro-rata basis.

Effective November 30, 2014, the Company entered into an employment exit agreement with an employee pursuant to which the Board approved a grant of 18,600 'A' ordinary share awards. The shares were issued subsequently on January 16, 2015 at \$21.53 per share, the closing price at the effective date of the settlement agreement.

On June 5, 2014, 525,000 'A' ordinary share awards were granted to certain executive directors and members of senior management at \$14.95 per share based on the closing market price on such date. These share awards vest subject to certain share price conditions being met on or before May 31, 2015 and the employee remaining in service until May 31, 2015. On December 1, 2014, 487,500 of the 525,000 restricted shares were issued. As at March 31, 2015, none of the remaining awards were forfeited.

On September 18, 2013, 5,029,935 'A' ordinary shares were issued to our CEO and Managing Director at \$4.02 per share based on the closing market price on such date. These shares are restricted and vest over a period of three years on a pro-rata basis.

#### C. Board Practices

All directors hold office until the expiration of their term of office, their resignation or removal from office for gross negligence or criminal conduct by a resolution of our shareholders or until they cease to be directors by virtue of any provision of law or they are disqualified by law from being directors or they become bankrupt or make any arrangement or composition with their creditors generally or they become of unsound mind. The term of office of the directors is divided into three classes:

- Class I, whose term will expire at the annual general meeting to be held in fiscal 2018;
- Class II, whose term will expire at the annual general meeting to be held in fiscal 2016; and
- Class III, whose term will expire at the annual general meeting to be held in fiscal 2017.

Our directors for fiscal 2015 are classified as follows:

- Class I: Kishore Lulla, Naresh Chandra and David Maisel;
- Class II: Jyoti Deshpande, Vijay Ahuja and Rajeev Misra; and
- Class III: Sunil Lulla, Dilip Thakkar and Rishika Lulla Singh.

### ***Governance Standards***

We are subject to NYSE listing standards. However, as a foreign private issuer, we will be exempt from complying with certain corporate governance requirements of the NYSE applicable to a U.S. issuer. Under NYSE rules applicable to us, we only need to:

- establish an independent audit committee that has responsibilities set out in the NYSE rules;
- provide prompt certification by our chief executive officer of any material non-compliance with any corporate governance rules of the NYSE;
- provide periodic (annual and interim) written affirmations to the NYSE with respect to our corporate governance practices; and
- include in our annual reports a brief description of significant differences between our corporate governance practices and those followed by U.S. companies.

We are currently in compliance with the current applicable NYSE corporate governance requirements for foreign private issuers.

### **Indemnification Agreements**

We have entered into indemnification agreements with our directors and our officers that require us to indemnify, to the extent permitted by law, our officers and directors against liabilities that may arise by reason of their status or service as officers and directors and to pay expenses incurred by them as a result of any proceeding against them as to which they could be indemnified. We believe that these provisions are necessary to attract and retain qualified persons as directors and executive officers.

### **Service Contracts and Letters of Appointment**

Each of Kishore Lulla, Andrew Heffernan and Mark Carbeck has entered into a service agreement with Eros Network Limited to provide services to us and our subsidiaries. The service agreements are terminable by either party with 12 months' written notice. Eros Network Limited may terminate the agreements immediately in certain circumstances, including upon certain types of misconduct or upon paying the executive an amount equivalent to his basic salary (inclusive of any bonus and benefits) for a twelve month period. The service agreements expire automatically upon the executive's 65th birthday. The service agreements provide for private medical insurance and 25 paid vacation days per year. Upon termination, compensation will be paid for any accrued but untaken holiday. The executives receive a basic gross annual salary, reviewed annually, and are entitled to participate in any current share option schemes and bonus schemes applicable to their positions maintained by the employing company. Each agreement contains a confidentiality provision and non-competition and non-solicitation provisions that restrict the executive for a period of six to twelve months after termination.

Kishore Lulla also executed a letter of appointment for service as one of our directors. Under the terms of the letter of appointment, Mr. Lulla received an annual fee of \$93,750. In connection with our initial public offering, this letter of appointment was terminated, and for so long as Mr. Lulla is our executive officer, he will not receive compensation as a director.

Sunil Lulla, our director, has entered into an employment agreement with Eros India pursuant to which he serves as Executive Vice Chairman of Eros India. Sunil Lulla is entitled to receive a basic gross annual salary, as well as medical insurance and certain other benefits and perquisites. Eros India may terminate the agreement upon thirty days' notice if certain events occur, including a material breach of the agreement by Mr. Lulla. The agreement contains a confidentiality provision that restricts Mr. Lulla during the term of his employment and for a period of two years following termination and a non-competition provision that restricts him during the term of his employment.

Jyoti Deshpande, our director, has entered into an employment contract with us pursuant to which she serves as Chief Executive Officer and Managing Director and is entitled to receive a gross base annual salary, private medical insurance and other standard benefits and is eligible to participate in any share option scheme and/or bonus scheme maintained from time to time and applicable to her position. In addition, Ms. Deshpande was issued 1,676,645 ordinary shares on September 18, 2013, of which an equal percentage of shares are restricted for one, two and three years from the date of issuance. In addition, on November 18, 2013, Ms. Deshpande received 181,818 A ordinary shares as part of a contractual arrangement valued at \$2.0 million based on the \$11.00 initial public offering. The employment agreement is for an initial period of three years commencing September 1, 2013 and will continue thereafter until terminated by either party upon not less than 12 months' prior written notice. We may, however, terminate the agreement immediately in certain circumstances, including upon certain types of misconduct or upon paying Ms. Deshpande an amount equal to her base salary for a 12 month period or remaining term of her employment, whichever is greater.

There are certain conditions under which if the agreement is terminated before September 1, 2016, Ms. Deshpande may be required to surrender all or part of the shares issued to her under this agreement. The agreement expires automatically upon Ms. Deshpande's 65th birthday. The agreement contains a confidentiality provision and non-competition and non-solicitation provisions that restrict Ms. Deshpande for a period of six to twelve months following termination. Ms. Deshpande, who is also a director on the board of Eros India, has a contract with Eros India that entitles her to a gross basic salary and Ms. Deshpande has options to purchase up to 571,160 shares of Eros India at \$1.14 per share with a 3-year vesting period commencing July 16, 2013.

Ms. Deshpande also owns 142,790 shares of Eros India that came from previously vested options that she exercised. Ms. Deshpande also receives a salary in the United Kingdom for her duties under a separate contract.

Vijay Ahuja, our director and vice chairman, entered into a service agreement with Eros International Pte Ltd to provide services to us and our subsidiaries. The service agreement is terminable by either party with twelve months' written notice. Eros International Pte Ltd may terminate the agreement immediately in certain circumstances, including upon certain types of misconduct or upon paying the executive an amount equivalent to his basic salary for a twelve month period. The agreement shall automatically terminate on his 65th birthday. Mr. Ahuja receives a basic gross annual salary and is entitled to participate in any current bonus scheme and/or option scheme applicable to his position. The agreement contains a confidentiality provision and non-competition and non-solicitation provisions that restrict Mr. Ahuja for a period of six months following termination.

Mrs. Rishika Lulla Singh, our director, has entered into a service agreement on July 3, 2015 with Eros Digital FZ LLC, pursuant to which she serves as the Chief Executive Officer and an executive director of Eros Digital FZ LLC which provides her with an annual salary of \$148,456. The employment agreement is for a term of three years and is terminable by either party by giving 12 months written notice. Mrs. Lulla Singh is also entitled to a 3% stake in Eros Digital FZ LLC at \$272.29 per share as part of her employment agreement, these shares are restricted, but will cease to be so in three equal tranches from July 2016. Mrs Lulla Singh also receives a salary in the United Kingdom for her duties under a separate contract.

Our non-executive directors, Naresh Chandra, who also serves as Chairman of Eros India, and Dilip Thakkar, have entered into letters of appointment with us that provide them with annual fees of \$78,125 for service as a director of Eros International Plc. The appointments are for an initial period of one year, from July 2007 and April 2006 respectively, and thereafter are terminable by either the non-executive director or us with three months' written notice, or by us immediately in the case of fraud.

It was resolved at a board meeting held on June 5, 2014 that Dilip Thakkar and Naresh Chandra both be entitled to annual fees of \$89,075 with retrospective effect from fiscal 2014.

Mr. David Maisel, our director, has entered into a service agreement with us, pursuant to which he serves as a non-executive director, which provides him with an annual fee of \$89,075. The service agreement is terminable by either party with 30 days written notice. The service agreement is for a term of five years and three months from November 2014. Mr. Maisel was granted options to purchase up to 500,000 A ordinary shares at \$18.88 as part of his service agreement, such options vest in five equal tranches commencing in November 2015. There are certain conditions under which, if the agreement is terminated before the relevant vesting date, the unvested options lapse.

Mr. Rajeev Misra, our director, has entered into a service agreement with us on June 17, 2015, pursuant to which he serves as a non-executive director. The service agreement is terminable by either party with 30 days written notice. The service agreement is for a term of five years and three months from December 1, 2014. Mr. Misra was granted options to purchase up to 500,000 A ordinary shares at \$18.00 as part of his service agreement, such options vest in five equal tranches commencing June 2015. There are certain conditions under which, if the agreement is terminated before the relevant vesting date, the unvested options lapse.

Mr. Prem Parameswaran, our Group Chief Financial Officer and President North America, has entered into an employment agreement with us on May 26, 2015 which provides him with an annual salary of \$450,000. The employment agreement is for a term of three years and is terminable by either party by giving 12 months written notice. Mr. Parameswaran is also entitled to 300,000 A ordinary shares at \$0.45 per share as part of his employment agreement, these shares are restricted, but will cease to be so in three equal tranches from May 2016. Mr Parameswaran was also granted options to purchase up to 300,000 A ordinary shares at \$18.30 as part of his employment agreement, such options vest in three equal annual tranches commencing in June 2016.

Mr. Pranab Kapadia, our President of Europe and Africa Operations, entered into a service agreement with Eros International Limited to provide services to us and certain of our subsidiaries. The service agreement is terminable by either party with three months' written notice. Eros International Ltd may terminate the agreement immediately in certain circumstances, including upon certain types of misconduct or upon paying the executive an amount equivalent to his basic salary for a three month period. Mr. Kapadia receives a basic gross annual salary and is entitled to participate in any current bonus scheme applicable to his position. The agreement contains a confidentiality provision and non-competition and non-solicitation provisions that restrict him for a period of twelve months following termination.

#### **Board Committees**

We currently have an Audit Committee, Remuneration Committee and Nomination Committee, whose responsibilities are summarized below. We believe that the composition of these committees meet the criteria for independence under, and the functioning of these committees comply with the requirements of, the SOX Act, the rules of the NYSE and the SEC rules and regulations applicable to us.

#### **Audit Committee**

Our board of directors has adopted a written charter under which our Audit Committee operates. This charter sets forth the duties and responsibilities of our Audit Committee, which, among other things, include: (i) monitoring our and our subsidiaries' accounting and financial reporting processes, including the audits of our financial statements and the integrity of the financial statements; (ii) monitoring our compliance with legal and regulatory requirements; (iii) assessing our external auditor's qualifications and independence; and (iv) monitoring the performance of our internal audit function and our external auditor. A copy of our Audit Committee charter is available on our web site at [www.erosplc.com](http://www.erosplc.com). Information contained in our website is not a part of, and is not incorporated by reference into, this annual report.

The current members of our Audit Committee are Messrs. Thakkar (Chair) and Chandra . The Audit Committee met six times during fiscal 2015. Our board of directors has determined that each of the members of our Audit Committee is independent.

#### **Remuneration Committee**

Our board of directors has adopted a written charter under which our Remuneration Committee operates. This charter sets forth the duties and responsibilities of our Remuneration Committee, which, among other things, include assisting our Board of Directors in establishing remuneration policies and practices. A copy of our Remuneration Committee charter is available on our website at [www.erosplc.com](http://www.erosplc.com). Information contained in our website is not a part of, and is not incorporated by reference into, this annual report.

The current members of our Remuneration Committee are Messrs. Chandra (Chair) and Thakkar. The Remuneration Committee met four times during fiscal 2015. Our board of directors has determined that each of the members of our Remuneration Committee is independent.

### Nomination Committee

Our board of directors has adopted a written charter under which our Nomination Committee operates. This charter sets forth the duties and responsibilities of our Nomination Committee, which, among other things, include recommending to our Board of Directors candidates for election at the annual meeting of shareholders and performing a leadership role in shaping the Company's corporate governance policies. A copy of our Nomination Committee charter is available on our website at [www.erosplc.com](http://www.erosplc.com). Information contained in our website is not a part of, and is not incorporated by reference into, this annual report.

The current members of our Nomination Committee are Messrs. Chandra (Chair) and Thakkar. The Nomination Committee is an ad hoc committee and met three times during fiscal 2015. Our board of directors has determined that each of the members of our Nomination Committee is independent.

### D. Employees

As of March 31, 2015, we had 304 employees, with 236 employed by Eros India and based in India, 21 by Ayngaran and its subsidiaries and based in India and the United Kingdom, and the remainder employed by our international subsidiaries. All are full time employees. Our employees are not unionized. We believe that our employee relations are good.

### E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as at June 30, 2015 by each of our directors and all our directors and executive officers as a group. As used in this table, beneficial ownership means the sole or shared power to vote or direct the voting or to dispose of or direct the sale of any security. A person is deemed to be the beneficial owner of securities that can be acquired within 60 days upon the exercise of any option, warrant or right. Ordinary shares subject to options, warrants or rights that are currently exercisable or exercisable within 60 days are deemed outstanding for computing the ownership percentage of the person holding the options, warrants or rights, but are not deemed outstanding for computing the ownership percentage of any other person. The amounts and percentages as at June 30, 2015 are based on an aggregate of 57,537,708 ordinary shares outstanding as at that date.

	Number of A Ordinary Shares Beneficially Owned		Number of B Ordinary Shares Beneficially Owned	
	Number of Shares of A	Percent of Class	Number of Shares of B	Percent of Class
<b>Directors</b>				
Executive Officers				
Kishore Lulla <sup>(1)</sup>	1,305,505	4.1%	25,555,220	100.0%
Jyoti Deshpande <sup>(2)</sup>	2,029,611	6.4%	—	—
Vijay Ahuja <sup>(3)</sup>	—	—	24,793,987	97.0%
Sunil Lulla	*	*	—	—
Dilip Thakkar	*	*	—	—
Naresh Chandra	*	*	—	—
Michael Kirkwood <sup>(4)</sup>	*	*	—	—
Greg Cootel <sup>(5)</sup>	—	—	—	—
David Maisel <sup>(6)</sup>	—	—	—	—
Rishika Lulla Singh <sup>(6)</sup>	*	*	—	—
Rajeev Misra <sup>(7)</sup>	1,068,449	3.3%	—	—
<b>Executive Officers</b>				
Kishore Lulla <sup>(1)</sup>	1,305,505	4.1%	25,555,220	100.0%
Jyoti Deshpande <sup>(2)</sup>	2,029,611	6.4%	—	—
Vijay Ahuja <sup>(3)</sup>	—	—	24,793,987	97.0%
Sunil Lulla	*	*	—	—
Rishika Lulla Singh	*	*	—	—
Prem Paramsewaran <sup>(8)</sup>	—	—	—	—
Mark Carbeck	—	—	—	—
Pranab Kapadia	—	—	—	—
Surender Sadhwani	*	*	—	—
Ken Naz	—	—	—	—
<b>All directors and executive officers as a group (14 persons)</b>	<b>4,942,670</b>	<b>15.5%</b>	<b>25,555,220</b>	<b>100.0%</b>

\* Represents less than 1%.

- (1) Kishore Lulla's interest in certain of his shares is by virtue of his holding ownership interest in and being a potential beneficiary of discretionary trusts that hold our shares and serving as trustee of the Eros Foundation, a U.K. registered charity that holds our shares.
- (2) Jyoti Deshpande's interest in certain of her shares is by virtue of her prior existing shareholding vested options received as compensation and the 1,676,645 of our shares which she was issued on September 18, 2013 under her employment agreement.
- (3) Vijay Ahuja's interest in shares is by virtue of his being a potential beneficiary of discretionary trusts that hold our shares.



(4) Michael Kirkwood ceased being a Director on December 1, 2014.

(5) Greg Coote passed away whilst in office in June 2014.

(6) David Maisel and Rishika Lulla Singh were appointed as Directors on November 12, 2014.

(7) Rajeev Misra was appointed as a Director on December 1, 2014.

(8) Andrew Heffernan is Group Chief Financial Officer of the Company at the time of filing of this document, however he has served notice to resign from this position in June 2015 and will be succeeded by Prem Parameswaran.

Kishore Lulla and Vijay Ahuja, by virtue of their holdings of B ordinary shares have different voting rights to the other Directors. Each A ordinary share is entitled to one vote on all matters upon which the ordinary shares are entitled to vote, and each B ordinary share is entitled to ten votes. In order to vote at any meeting of shareholders, a holder of B ordinary shares will first be required to certify that it is a permitted holder as defined in our articles.

Options to purchase 'A' ordinary from the Company are granted from time to time to directors, officers and employees of the Company on terms and conditions acceptable to the Board of Directors.

The following table provides the JSOP Plan details with respect to the directors and officers

Name	Number of 'A' ordinary Shares under JSOP	Date of Grant	Exercise Price (\$USD)	Expiration Date
Rishika Lulla Singh	141,864	April 2012	\$11.00	April 2018
	242,034	August 2014	\$15.34	August 2024
Pranab Kapadia	132,013	April 2012	\$11.00	April 2018
Andrew Heffernan <sup>(1)</sup>	682,638	April 2012	\$11.00	April 2018

The following table provides option details with respect to the directors and officers.

Name	Number of 'A' ordinary Shares under JSOP	Date of Grant	Exercise Price (\$USD)	Expiration Date
Surender Sadhwani	674,045	September 2014	\$11.00	June 2017
David Maisel	500,000	February 2015	\$18.88	February 2020
Andrew Heffernan <sup>(1)</sup>	20,813	June 2006	GBP 5.28	July 2015
Ken Naz	20,813	June 2006	GBP 5.28	July 2015
Mark Carbeck	70,000	February 2015	\$14.97	March 2025
Jyoti Deshpande <sup>(2)</sup>	20,813	June 2006	GBP 5.28	July 2015

(1) Andrew Heffernan served notice to resign as an officer of the Company in June 2015.

(2) In addition Jyoti Deshpande also has 571,160 share options in Eros International Media Limited by virtue of the IPO India Plan. The option was granted in July 2012 and expires in December 2019 and the exercise price is INR 75.

## ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### A. Major Shareholders

The following table and accompanying footnotes provide information regarding the beneficial ownership of our ordinary shares as of June 30, 2015 with respect to each person or group who beneficially owned 5% or more of our issued ordinary shares.

Beneficial ownership, which is determined in accordance with the rules and regulations of the SEC, means the sole or shared power to vote or direct the voting or dispose or direct the disposition of our ordinary shares. The number of our ordinary shares beneficially owned by a person includes ordinary shares issuable with respect to options or similar convertible securities held by that person that are exercisable or convertible within 60 days of June 30, 2015.

The number of shares and percentage beneficial ownership of A ordinary shares below is based on 57,537,708 issued ordinary shares as of June 30, 2015.

Except as otherwise indicated in the footnotes to the table, shares are owned directly or indirectly with sole voting and investment power, subject to applicable marital property laws.

Major shareholders	Number of A Ordinary Shares Beneficially Owned		Number of B Ordinary Shares Beneficially Owned	
	Number of A Shares	Percent of Class	Number of B Shares	Percent of Class
Kishore Lulla <sup>(1)</sup>	1,305,505	4.1%	25,555,220	100.0%
Vijay Ahuja <sup>(2)</sup>	—	—	24,793,987	97.0%
Beech Investments <sup>(3)</sup>	—	—	24,793,987	97.0%
Capital Research Global Investors	3,174,740	10.0%	—	—
Fullerton Investments	3,000,000	9.4%	—	—
Jyoti Deshpande	2,029,611	6.4%	—	—
TIAA-CREF Investment Management, LLC	2,003,477	6.3%	—	—
Paradice Investment Management LLC	1,889,350	5.9%	—	—

(1) Kishore Lulla's interest in certain of his shares is by virtue of his holding ownership interest in and being a potential beneficiary of discretionary trusts that hold our shares and serving as trustee of the Eros Foundation, a U.K. registered charity that holds our shares.

(2) Vijay Ahuja's interests in shares are by virtue of being potential beneficiaries of discretionary trusts that hold our shares.

(3) Beech Investments Limited, c/o SG Hambros Trust Company (Channel Islands) Limited, 18 Esplanade, St Helier, Jersey, JE4 8RT. Beech Investments, a company incorporated in the Isle of Man, is owned by discretionary trusts that include Eros founder Arjan Lulla and Eros directors Kishore Lulla and Vijay Ahuja as beneficiaries. The shares currently held by Beech Investments Limited are being held as B ordinary shares, but will convert into A ordinary shares (pursuant to Section 22.1 of the Articles of Association) upon being transferred to a person who is not a Permitted Holder (as defined in Section 22.1 of the Articles of Association).

The following summarizes the significant changes in the percentage ownership held by our major shareholders during the past three years:

- Prior to our listing on the NYSE on November 18, 2013 the interests of all our major shareholders were in ordinary GBP 0.10 shares.
- Jyoti Deshpande's interest in certain of her shares is by virtue of her prior existing shareholding vested options received as compensation and the 1,676,645 shares she was issued on September 18, 2013 under her employment agreement. Mrs Deshpande also sold 300,000 shares in July 2014 as part of our follow on equity offering.
- Capital Research Global Investors reported its percentage ownership of our ordinary shares to be 10.5% (based on the then number of our ordinary shares reported as outstanding at that time) in a Schedule 13G/A filed with the Commission on February 13, 2015.

- Paradise Investment Management LLC reported its percentage ownership of our ordinary shares to be 6.10% (based on the then number of our ordinary shares reported as outstanding at that time) in a Schedule 13G filed with the Commission on February 9, 2015.
- TIAA-CREF Investment Management, LLC reported its percentage ownership of our ordinary shares to be 5.07% (based on the then number of our ordinary shares reported as outstanding at that time) in a Schedule 13G filed with the Commission on February 12, 2015.
- Fullerton Fund Management Company Ltd reported its percentage ownership of our ordinary shares to be 9.94% (based on the then number of our ordinary shares reported as outstanding at that time) in a Schedule 13G/A filed with the Commission on February 17, 2015.

Kishore Lulla and Beech Investments Limited, by virtue of their holdings of B class shares have different voting rights to the other major shareholders. Each A ordinary share is entitled to one vote on all matters upon which the ordinary shares are entitled to vote, and each B ordinary share is entitled to ten votes. In order to vote at any meeting of shareholders, a holder of B ordinary shares will first be required to certify that it is a permitted holder as defined in our articles.

As of March 31, 2015, approximately 29,161,488 of our A ordinary shares, representing 51% of our outstanding A ordinary shares, were held by a total of 5 record holders with addresses in the United States. Computershare, N.A., the depository, has advised us that, as of March 31, 2015, approximately 50.8% of our total outstanding ordinary shares in the form of 29,156,344 A ordinary shares, were held of record by DTC, the Depository Trust Company, under the nominee name of Cede & Co., on behalf of DTC participants. The number of beneficial owners of our A ordinary shares in the United States is likely to be much larger than the number of record holders of our A ordinary shares in the United States.

## **B. Related Party Transactions**

The following is a description of transactions since April 1, 2012 to which we have been a party, in which the amount involved in the transaction exceeded or will exceed \$120,000, and in which any of our directors, executive officers or beneficial holders of more than 5% of our issued share capital had or will have a direct or indirect material interest.

### **Family Relationships**

Mr. Kishore Lulla, our director and Chairman, is the brother of Mr. Sunil Lulla, and father of Mrs. Rishika Lulla Singh, each of whom are directors, and a cousin of Mr. Vijay Ahuja, our director and Vice Chairman, and of Mr. Surender Sadhwani, our President of Middle East Operations. Mr. Sunil Lulla is the brother of Mr. Kishore Lulla, uncle to Mrs. Lulla Singh, and a cousin of Mr. Ahuja and Mr. Sadhwani. Mr. Ahuja is a cousin of Mr. Kishore Lulla and Mr. Sunil Lulla. Mrs Lulla Singh is the daughter of Mr Kishore Lulla and niece of Mr Sunil Lulla. Mr. Sadhwani is a cousin of Mr. Kishore Lulla and Mr. Sunil Lulla. Mr. Arjan Lulla, our founder, the father of Mr. Kishore Lulla and Mr. Sunil Lulla, grandfather of Mrs. Lulla Singh, uncle of Mr. Ahuja and Mr. Sadhwani and an employee of Redbridge Group Ltd., is the Honorary President of Eros and a director of our subsidiary Eros Worldwide. Mrs. Manjula Lulla, the wife of Mr. Kishore Lulla, respectively, is an employee of our subsidiary. Krishika Lulla is the wife of Sunil Lulla and an employee of Eros India.

### **Leases**

Pursuant to a lease agreement that expires on March 31, 2016, Eros India leases apartments for studio use 2,750 square feet of real property at Kailash Plaza, 3rd Floor, Opp. Laxmi Industrial Estate, Andheri (W), Mumbai, from Manjula K. Lulla, the wife of Kishore Lulla. Beginning in August 2010, the lease requires Eros India to pay \$5,000 each month under this lease. Pursuant to a lease that expires in September 30, 2015, Eros India leases for use as executive accommodations the property Aumkar Bungalow, Gandhi Gram Road, Juhu, Mumbai, from Sunil Lulla.

Pursuant to a lease agreement that expires on January 4, 2020, Eros India leases corporate office at Supreme Chambers, 5th Floor, Andheri (W), Mumbai from Kishore and Sunil Lulla. Beginning January 2015, the lease requires Eros India to pay \$65,000 each month under this lease.

Pursuant to a lease agreement that expired on March 31, 2015, the Group leased for U.S. corporate offices, the real property at 550 County Avenue, Secaucus, New Jersey, from 550 County Avenue Property Corp, a Delaware corporation owned by Beech Investments and of which our President of Americas Operations Ken Naz serves as a director. The lease commenced on April 1, 2010, and required the Group to pay \$11,000 each month. The lease was renewed on April 1, 2015 for a further five years on the same terms.

Pursuant to a lease agreement that expires in March 2018, including renewal periods, the Group leases for U.K. corporate offices, the real property at 13 Manchester Square, London from Linecross Limited, a U.K. company owned indirectly by a discretionary trust of which Kishore Lulla is a potential beneficiary. The current lease commenced on November 19, 2009 and requires us to pay \$153,000 each quarter.

### Honorary Appointment of Mr. Arjan Lulla

Pursuant to an agreement the Group entered into with Redbridge Group Ltd. on June 27, 2006, the Group agreed to pay an annual fee set each year by its board of directors of \$325,000, \$339,000 and \$322,000 in the year ended March 31, 2015, the year ended March 31, 2014 and the year ended March 2013 respectively, for the services of Arjan Lulla, the father of Kishore Lulla and Sunil Lulla, grandfather of Rishika Lulla Singh, uncle of Vijay Ahuja and Surender Sadhwani and an employee of Redbridge Group Ltd. The agreement makes Arjan Lulla honorary life president and provides for services including attendance at board meetings, entrepreneurial leadership and assistance in setting the Group's strategy. Redbridge Group Ltd. is an entity owned indirectly by a discretionary trust of which Kishore Lulla is a potential beneficiary.

### Lulla Family Transactions

The Group has engaged in transactions with NextGen Films Pvt. Ltd., an entity owned by the husband of Puja Rajani, sister of Kishore Lulla and Sunil Lulla and aunt of Mrs. Lulla Singh, each of which involved the purchase and sale of film rights. In the year ended March 31, 2015 NextGen Films Pvt. Ltd. sold film rights \$23,550,000 (2014: \$22,205,000, 2013: \$23,613,000) to the Group, and purchased film rights, including production services, of \$275,000 (2014: \$3,923,000 and 2013: \$3,859,000).

The Group also engaged in transactions with Everest Entertainment Pvt. Ltd. entity owned by the brother of Manjula K. Lulla, wife of Kishore Lulla and mother of Mrs. Lulla Singh, each of which involved the purchase and sale of film rights. In March 31, 2015, Everest Entertainment Pvt. Ltd. sold film rights of \$408,000 (2014: \$18,000 and 2013: \$16,000) to the Group, and did not purchase any film rights from the Group in years ended March 31, 2015, 2014 and 2013.

### Relationship Agreement

Both we and our subsidiaries, including Eros India, acquire rights in Indian movies. Under a 2009 Relationship Agreement among Eros India, Eros Worldwide and us, certain intellectual property rights and all distribution rights for Indian films (other than Tamil films) outside of the territories of India, Nepal and Bhutan held by the Eros India Group are assigned exclusively to Eros Worldwide. Eros Worldwide in turn is entitled to assign its rights to us and to other entities within the Eros group of companies, excluding the Eros India Group and Ayngaran and its subsidiaries, or the Eros International Group.

Eros Worldwide provides a lump sum minimum guaranteed fee to the Eros India Group for each Indian film (other than a Tamil film) assigned to it by Eros India under the Relationship Agreement, in a fixed payment equal to 30% of the production cost of such film, including all costs incurred in connection with the acquisition, pre-production, production or post-production of such film, plus an amount equal to 30% of such fixed payment. We refer to these payments collectively as the Minimum Guaranteed Fee. Eros Worldwide is also required to reimburse the Eros India Group for 130% of certain pre-approved distribution expenses in connection with such film. In addition, 30% of the gross proceeds received by the Eros International Group from exploitation of such films, after certain amounts are retained by the Eros International Group, are payable over to the Eros India Group.

No share of gross proceeds from an Indian film is payable by the Eros International Group to the Eros India Group until the Eros International Group has received and retained an amount equal to the Minimum Guaranteed Fee, a 20% fee on all gross proceeds outside the territories of India, Nepal and Bhutan, including gross proceeds related to the exploitation of related film ancillary rights, and 100% of the distribution expenses incurred by the Eros International Group or for which Eros Worldwide has provided reimbursement to the Eros India Group.

Under the 2009 Relationship Agreement, the Eros India Group also assigns to Eros Worldwide all non-film music publishing rights. The non-film music publishing rights are the exclusive right to exploit, outside of the territories of India, Nepal and Bhutan, music compositions and performances held by the Eros India Group, other than such music publishing rights related to an Indian film (other than a Tamil film). Eros Worldwide is entitled to assign its non-film music publishing rights to us and the other entities within the Eros International Group. For such non-film music publishing rights, Eros Worldwide agrees to pay the Eros India Group 75% of the gross proceeds received related to such non-film music publishing rights, after certain amounts are retained by Eros International Group. Eros Worldwide is also required to reimburse the Eros India Group for 130% of certain pre-approved distribution expenses in connection with such non-film music publishing rights. No share of gross proceeds is payable by the Eros International Group to the Eros India Group until the Eros International Group has received and retained 100% of its distribution expenses incurred in connection with such non-film music publishing rights or for which Eros Worldwide has provided reimbursement to the Eros India Group. The initial term of the 2009 Relationship Agreement expired in December 2014.

Upon expiration, the agreement provides that it will be automatically renewed for successive two year terms unless terminated by any party by 90 days' written notice on or before commencement of any renewal term. The relationship agreement was accordingly extended for a further period of two years on February 13, 2014.

**Eros Foundation**

On October 6, 2011, we issued 250,000 A ordinary shares to the Eros Foundation, a U.K. registered charity, for no consideration. Such shares were granted by our Remuneration Committee to Mr. Kishore Lulla as compensation, each of whom directed the issuance of such shares to the Eros Foundation. Mr. Kishore Lulla and his wife, Mrs. Manjula K. Lulla, are trustees, but not beneficiaries, of the foundation.

**C. Interests of Experts and Counsel**

Not applicable.

**ITEM 8. FINANCIAL INFORMATION****A. Consolidated Statements and Other Financial Information**

Please see “Part III — Item 18. Financial Statements” for a list of the financial statements filed as part of this Annual Report on Form 20-F.

**B. Significant Changes**

On June 9, 2014, our subsidiary undertaking Eros International Media Limited (“EIML”) executed a binding term sheet to acquire a controlling stake in Universal Power Systems Private Limited (“Techzone”), a company involved in mobile value added services that has a billing integration in place with major telecom operators in India. EIML has made an advance of \$2.5 million to Techzone ahead of completion of transaction to provide working capital. Subsequently, EIML entered into a share purchase agreement dated February 24, 2015 with Techzone and its promoters to acquire the entire shareholding of Techzone from its promoters (“Transaction”). The Transaction will conclude upon receipt of applicable regulatory approvals and fulfillment of other closing conditions listed in the Share Purchase Agreement. As at the authorization date of this annual report, EIML is awaiting applicable regulatory approval before the Transaction can be concluded.

Other than this transaction, there are no additional significant subsequent events following the close of the last fiscal year up to the date of this annual report that are known to us and require disclosure for which disclosure was not made in this annual report.

## ITEM 9. THE OFFER AND LISTING

### A. Offer and Listing Details

The high and low last reported sale prices for our shares for the periods indicated are as shown below. We note that the periods are split between when Eros International was listed on the Alternative Investment Market (“AIM”) and when it was listed on the New York Stock Exchange (“NYSE”) on November 13, 2013. With respect to the trading prices on AIM, the prices are adjusted to reflect the one-for-three reverse stock split, which occurred on November 18, 2013, and a translation from British Pound Sterling to U.S. dollars based on the prevailing exchange rate between the British Pound Sterling and the U.S. dollar at the time of the applicable trade. Amounts on the NYSE share price table below are for the period November 18, 2013 to May 31, 2015; and on the AIM share price table, for the period 1 April 2010 to November 18, 2013, only.

	Price per share on NYSE	
	High	Low
<b>Fiscal year:</b>		
2014	\$ 16.07	\$ 8.94
2015	\$ 22.44	\$ 13.65
<b>Fiscal Quarter:</b>		
First quarter 2015	\$ 16.73	\$ 14.90
Second quarter 2015	\$ 16.52	\$ 13.65
Third quarter 2015	\$ 22.44	\$ 14.27
Fourth quarter 2015	\$ 21.57	\$ 15.77
<b>Month:</b>		
April 2014	\$ 16.97	\$ 14.64
May 2014	\$ 16.79	\$ 14.70
June 2014	\$ 16.34	\$ 15.16
July 2014	\$ 15.69	\$ 14.12
August 2014	\$ 16.32	\$ 13.65
September 2014	\$ 16.52	\$ 14.61
October 2014	\$ 18.49	\$ 14.27
November 2014	\$ 21.58	\$ 18.32
December 2014	\$ 22.44	\$ 19.17
January 2015	\$ 21.57	\$ 18.76
February 2015	\$ 20.10	\$ 15.77
March 2015	\$ 17.47	\$ 16.27
April 2015	\$ 18.64	\$ 16.99
May 2015	\$ 19.95	\$ 16.29

	Price per share on AIM	
	High	Low
<b>Fiscal year:</b>		
2011	\$ 13.37	\$ 7.51
2012	\$ 13.11	\$ 9.54
2013	\$ 15.02	\$ 8.05
<b>Fiscal Quarter:</b>		
First quarter 2013	\$ 15.02	\$ 8.50
Second quarter 2013	\$ 11.53	\$ 8.05
Third quarter 2013	\$ 11.81	\$ 8.90
Fourth quarter 2013	\$ 12.16	\$ 10.44
First quarter 2014	\$ 11.36	\$ 8.79
Second quarter 2014	\$ 13.45	\$ 9.06
<b>Month:</b>		
October 2013	\$ 11.05	\$ 10.27
November 2013	\$ 11.05	\$ 10.27

Our closing price on AIM on November 13, 2013 was \$11.18.

### B. Plan of Distribution

Not applicable.

**C. Markets**

Our shares are listed on the NYSE under the symbol "EROS."

**D. Selling Shareholders**

Not applicable.

**E. Dilution**

Not applicable.

**F. Expenses of the Issue**

Not applicable.

**ITEM 10. ADDITIONAL INFORMATION****A. Share Capital**

Not applicable.

**B. Memorandum and Articles of Association**

Eros International Plc was incorporated in the Isle of Man as on March 31, 2006 under the 1931 Act, as a public company limited by shares and effective as of September 29, 2011, was de-registered under the 1931 Act and re-registered as a company limited by shares under the 2006 Act. We maintain our registered office at Fort Anne, Douglas, Isle of Man IM15PD; our principal executive office in the U.S. is at 550 County Avenue, Secaucus, New Jersey 07094.

At March 31, 2015, Eros International plc has authorized share capital of 57,778,113 A ordinary shares at a par value of GBP 0.30 per share, of which 31,982,488 is issued share capital, and authorized share capital of 25,555,220 B ordinary shares at a par value of GBP 0.30 per share, of which is entirely issued.

Our activities are regulated by our Memorandum and Articles of Association. We adopted an amended and restated Memorandum and Articles of Association by special resolution of our shareholders passed on April 24, 2012. The material provisions of our amended and restated Memorandum and Articles of Association are described below. In addition to our Memorandum and Articles of Association, our activities are regulated by (among other relevant legislation) the 2006 Act. Our Memorandum of Association states our company name, that we are a company limited by shares, that our registered office is at Fort Anne, Douglas, Isle of Man IM1 5PD, that our registered agent is Cains Fiduciaries Limited and that neither the articles of association may be amended except pursuant to a resolution approved by a majority of not less than three-fourths of such members as, being entitled to vote in person or by proxy at the general meeting at which such resolution is proposed. Below is a summary of some of the provisions of our Articles of Association. It is not, nor does it purport to be, complete or to identify all of the rights and obligations of our shareholders.

The summary is qualified in its entirety by reference to our Articles of Association. See "Part III — Item 19. Exhibits — Exhibit 1.1" and "Part III — Item 19. Exhibits — Exhibit 1.2."

The following is a description of the material provisions of our articles of association, ordinary shares and certain provisions of Isle of Man law. This summary does not purport to be complete and is qualified in its entirety by reference to our Articles of Association, See "Part III - Item 19.

**Board of Directors**

Under our Articles of Association, the 2006 Act and the committee charters and governance policies adopted by our board of directors, our board of directors controls our business and actions. Our board of directors consists of between three and twelve directors and will be divided into three staggered classes of directors of the same or nearly the same number. At each annual general meeting, a class of directors will be elected for a three-year term to succeed the directors of the same class whose terms are then expiring. No director may participate in any approval of a transaction in which he or she is interested. The directors receive a fee determined by our board of directors for their services as directors and such fees are distinct from any salary, remuneration or other amounts that may be payable to the directors under our articles.

However, any director who is also one of our subsidiaries' officers is not entitled to any such director fees but may be paid a salary and/or remuneration for holding any employment or executive office, in accordance with the articles. Our directors are entitled to be repaid all reasonable expenses incurred in the performance of their duties as directors. There is no mandatory retirement age for our directors.

Our articles provide that the quorum necessary for the transaction of business may be determined by our board of directors and, in the absence of such determination, is the majority of the members of our board of directors. Subject to the provisions of the 2006 Act, the directors may exercise all the powers of the Company to borrow money, guarantee, indemnify and to mortgage or charge our assets.

### **Ordinary Shares**

#### ***Dividends***

Holders of our A ordinary shares and B ordinary shares whose names appear on the register on the date on which a dividend is declared by our board of directors are entitled to such dividends according to the shareholders' respective rights and interests in our profits and subject to the satisfaction of the solvency test contained in the 2006 Act. Any such dividend is payable on the date declared by our board of directors, or on any other date specified by our board of directors. Under the 2006 Act, a company satisfies the solvency test if (a) it is able to pay its debts as they become due in the normal course of its business and (b) the value of its assets exceeds the value of its liabilities. Under certain circumstances, if dividend payments are returned to us undelivered or left uncashed, we will not be obligated to send further dividends or other payments with respect to such ordinary shares until that shareholder notifies us of an address to be used for the purpose. In the discretion of our board of directors, all dividends unclaimed for a period of twelve months may be invested or otherwise used by our board of directors for our benefit until claimed (and we are not a trustee of such unclaimed funds) and all dividends unclaimed for a period of twelve years after having become due for payment may be forfeited and revert to us.

#### ***Voting Rights***

Each A ordinary share is entitled to one vote on all matters upon which the ordinary shares are entitled to vote, and each B ordinary share is entitled to ten votes. In order to vote at any meeting of shareholders, a holder of B ordinary shares will first be required to certify that it is a permitted holder as defined in our articles.

#### ***General Meetings***

Unless unanimously approved by all shareholders entitled to attend and vote at the meeting, all general meetings for the approval of a resolution appointing a director may be convened by our board of directors with at least 21 days' notice (excluding the date of notice and the date of the general meeting), and any other general meeting may be convened by our Board of Directors with at least 14 days' notice (excluding the date of notice and the date of the general meeting). A quorum required for any general meeting consists of shareholders holding at least 30% of our issued share capital. The concept of "ordinary," "special" and "extraordinary" resolutions is not recognized under the 2006 Act, and resolutions passed at a meeting of shareholders only require the approval of shareholders present in person or by proxy, holding in excess of 50% of the voting rights exercised in relation thereto. However, as permitted under the 2006 Act, our articles of association incorporate the concept of a "special resolution" (requiring the approval of shareholders holding 75% or more of the voting rights exercised in relation thereto) in relation to certain matters, such as directing the management of our business (subject to the provisions of the 2006 Act and our articles), sanctioning a transfer or sale of the whole or part of our business or property to another company (pursuant to the relevant section of the 1931 Act) and allocating any shares or other consideration among the shareholders in the event of a winding up.

#### ***Rights to Share in Dividends***

Our shareholders have the right to a proportionate share of any dividends we declare.

#### ***Limitations on Right to Hold Shares***

Our board of directors may determine that any person owning shares (directly or beneficially) constitutes a "prohibited person" and is not qualified to own shares if such person is in breach of any law or requirement of any country and, as determined solely by our board of directors, such ownership would cause a pecuniary or tax disadvantage to us, another shareholder or any of our other securities. Our board of directors may direct the prohibited person to transfer the shares to another person who is not a prohibited person. Any such determination made or action taken by our board of directors is conclusive and binding on all persons concerned, although in the event of such a transfer, the net proceeds of the sale of the relevant shares, after payment of our costs of the sale, shall be paid by us to the previous registered holders of such shares or, if reasonable inquiries failed to disclose the location of such registered holders, into a trust account at a bank designated by us, the associated costs of which shall be borne by such trust account. A prohibited person would have the right to apply to the Isle of Man court if he or she felt that our board of directors had not complied with the relevant provisions of our articles of association.

Our articles also identify certain "permitted holders" of B ordinary shares. Any B ordinary shares transferred to a person other than a permitted holder will, immediately upon registration of such transfer, convert automatically into A ordinary shares. In addition, if, at any time, the aggregate number of B ordinary shares in issue constitutes less than 10% of the aggregate number of A ordinary shares and B ordinary shares in issue, all B ordinary shares in issue will convert automatically into A ordinary shares on a one-for-one basis.



### ***Untraceable Shareholders***

Under certain circumstances, if any payment with respect to any ordinary shares has not been cashed and we have not received any communications from the holder of such ordinary shares, we may sell such ordinary shares after giving notice in accordance with procedures set out by our articles to the holder of the ordinary shares and any relevant regulatory authority.

### ***Action Required to Change Shareholder Rights or Amend Our Memorandum or Articles of Association***

All or any of the rights attached to any class of our ordinary shares may, subject to the provisions of the 2006 Act, be amended either with the written consent of the holders of 75% of the issued shares of that class or by a special resolution passed at a general meeting of the holders of shares of that class. Furthermore, our memorandum and articles of association may be amended by a special resolution of the holders of 75% of the issued shares.

### ***Liquidation Rights***

On a return of capital on winding up, assets available for distribution among the holders of ordinary shares will be distributed among holders of our ordinary shares on a pro rata basis. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately.

### ***Minority Shareholder Protections***

Under the 2006 Act, if a shareholder believes that the affairs of the company have been or are being conducted in a manner that is unfair to such shareholder or unfairly prejudicial or oppressive, the shareholder can seek a range of court remedies including winding up the company or setting aside decisions in breach of the 2006 Act or the company's memorandum and articles of association. Further, if a company or a director of a company breaches or proposes to breach the 2006 Act or its memorandum or articles of association, then, in response to a shareholder's application, the Isle of Man Court may issue an order requiring compliance with the 2006 Act or the memorandum or articles of association; alternatively, the Isle of Man Court may issue an order restraining certain action to prevent such a breach from occurring.

The 2006 Act also contains provisions that enable a shareholder to apply to the Isle of Man court for an order directing that an investigation be made of a company and any of its associated companies.

### ***Anti-takeover Effects of Our Dual Class Structure***

As a result of our dual class structure, the Founders Group and our executives and employees will have significant influence over all matters requiring shareholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets. This concentrated control could discourage others from initiating any potential merger, takeover or other change of control transaction that other shareholders may view as beneficial.

### ***C. Material Contracts***

We have not entered into any material contracts other than in the ordinary course of business and other than those described in "Part I—Item 4.—Information on the Company" or elsewhere in this Annual Report on Form 20-F.

### ***D. Exchange Controls***

No foreign exchange control regulations are in existence in the Isle of Man in relation to the exchange or remittance of sterling or any other currency from the Isle of Man and no authorizations, approvals or consents will be required from any authority in the Isle of Man in relation to the exchange and remittance of sterling and any other currency whether awarded by reason of a judgment or otherwise falling due and having been paid in the Isle of Man.

### ***E. Taxation***

#### **Summary of Material Indian Tax Considerations**

The discussion contained herein is based on the applicable tax laws of India as in effect on the date hereof and is subject to possible changes in Indian law that may come into effect after such date. The information set forth below is intended to be a general discussion only. Prospective investors should consult their own tax advisers as to the consequences of purchasing the A ordinary shares, including, without limitation, the consequences of the receipt of dividend and the sale, transfer or disposition of the ordinary shares.

Based on the fact that we are considered for tax purposes as a company domiciled abroad, any dividend income in respect of A ordinary shares will not be subject to any withholding or deduction in respect of Indian income tax laws. Pursuant to amendments to the Indian Income Tax Act, 1961, income arising directly or indirectly through the sale of a capital asset, including any share or interest in a company or entity registered or incorporated outside India, will be liable to tax in India, if such share or interest derives, directly or indirectly, its value substantially from assets located in India, whether or not the seller of such share or interest has a residence, place of business, business connection, or any other presence in India, if, on the specified date, the value of such assets (i) represents 20% of the fair market value of all assets owned by the company or entity, or (ii) exceeds the specified amount. The amendments do not deal with the interplay between the Indian Income Tax Act, 1961, as amended, and the double taxation avoidance agreements that India has entered into with countries such as the United States, the United Kingdom and Canada, in case of an indirect transfer. Accordingly, the implications of the recent amendments are presently unclear.

Further, dividend payments to us by our Indian subsidiaries are subject to withholding of dividend distribution tax in India, at an effective rate of 20.4%, including applicable cess (Indian education tax) and surcharge.

The Government of India has proposed three major reforms in Indian tax laws, namely the goods and services tax or GST, the direct taxes code or DTC, and the General Anti Avoidance Rules or GAAR. The Government of India has notified April 1, 2016 for the implementation of the GST in the country. As regards DTC, which sought to replace the Income Tax Act, 1961, the new government did not see any merit in implementation of the DTC, and had proposed to abandon the DTC, as most of its provisions were incorporated in the present Income Tax Act. However, news reports indicate that the Parliamentary Standing Committee on Finance has recently recommended retention of parts of the DTC and its implementation along with the implementation of GST regime. The GST would replace the indirect taxes on goods and services, such as central excise duty, service tax, customs duty, central sales tax, state value added tax, surcharge and excise, currently being collected by the central and state governments in India. The GAAR provisions introduced through the Finance Act, 2012, were to come into effect from April 1, 2016.

The government recently announced it will defer the implementation of GAAR by two years and has proposed to implement it prospectively from April 1, 2017. The GAAR provisions are intended to restrict “impermissible avoidance arrangements,” which would be any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests: (i) creates rights, or obligations, not ordinarily created between persons dealing at arm’s-length; (ii) results, directly or indirectly, in misuse or abuse of provisions of the Income Tax Act, 1961; (iii) lacks, or is deemed to lack, commercial substance, in whole or in part; or (iv) is entered into or carried out by means, or in a manner, not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, Indian tax authorities would have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects on us cannot be determined at present and there can be no assurance that such effects would not adversely affect our business and future financial performance.

In the Union Budget, 2015, an increase in the rate of Service Tax from 12% to 14% was proposed and subsequently enacted with effect from June 1, 2015, pursuant to the Finance Act, 2015 (the “Act”), notified on May 14, 2015. The Act also has a provision levying Education Cess and Secondary and Higher Education Cess would also cease to have effect from same date (i.e.: June 1, 2015), as the same would be subsumed in the service tax rate of 14%. Certain other changes have also been notified to take effect from June 1, 2015. However, the date of giving effect to the provision relating to imposition of a Swachh Bharat cess on all or any taxable service will be done in due course. Swachh Bharat cess will be 2% or less. The Government will identify services and it will be applicable from the date of notification. Increase in service tax effective June 1, 2015 will have an impact on the business of the Company. Moreover, the Swachh Bharat cess, if applicable will have further impact of up to 2%.

## Summary of Material Isle of Man Tax Considerations

### *Tax residence in the Isle of Man*

We are resident for taxation purposes in the Isle of Man by virtue of being incorporated in the Isle of Man.

### *Capital taxes in the Isle of Man*

The Isle of Man has a regime for the taxation of income, but there are no taxes on capital gains, stamp taxes or inheritance taxes in the Isle of Man. No Isle of Man stamp duty or stamp duty reserve tax will be payable on the issue or transfer of, or any other dealing in, the A ordinary shares.

### *Zero rate of corporate income tax in the Isle of Man*

The Isle of Man operates a zero rate of tax for most corporate taxpayers, including the Company. Under the regime, the Company will technically be subject to Isle of Man taxation on its income, but the rate of tax will be zero; there will be no required withholding by the Company on account of Isle of Man tax in respect of dividends paid by the Company.

The Company will be required to pay an annual return fee of £380 (US \$565) per year.

### *Isle of Man probate*

In the event of death of a sole, individual holder of the A ordinary shares, an Isle of Man probate fee or administration may be required, in respect of which certain fees will be payable to the Isle of Man government, subject to the fee. Currently the maximum fee, where the value of an estate exceeds £1,000,000 (US \$1,485,000) is approximately £7,500 (US \$11,000).

## Summary of Material United States Federal Income Tax Considerations

The following summary describes the material United States federal income tax consequences associated with the acquisition, ownership and disposition of our shares as of the date hereof. The discussion set forth below is applicable only to U.S. Holders (as defined below) and does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire the shares.

Except where noted, this summary applies only to a U.S. Holder that holds shares as capital assets for United States federal income tax purposes. As used herein, the term "U.S. Holder" means a beneficial owner of a share that is for United States federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary does not describe all of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are a broker, a dealer or trader in securities or currencies, a financial institution, a regulated investment company, a real estate investment trust, a cooperative, an insurance company, a pension plan, a tax-exempt entity, a person holding our shares as part of a hedging, integrated or conversion transaction, a constructive sale, a wash sale or a straddle, a person liable for alternative minimum tax, a person who owns or is deemed to own 10% or more of our voting stock, a person holding our shares in connection with a trade or business conducted outside of the United States, a partnership or other pass-through entity for United States federal income tax purposes, a U.S. expatriate or a person whose "functional currency" for United States federal income tax purposes is not the United States dollar. The discussion below is based upon the provisions of the United States Internal Revenue Code of 1986, as amended (the "Code"), and regulations (including proposed regulations), rulings and judicial decisions thereunder as of the date hereof, and such authorities may be replaced, revoked or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those discussed below.

If a partnership holds our shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership holding our shares or a partner of a partnership holding our shares, you should consult your tax advisors as to the particular United States federal income tax consequences of acquiring, holding and disposing of the shares.

This discussion does not contain a detailed description of all the United States federal income tax consequences to you in light of your particular circumstances and does not address the effects of any state, local or non-United States tax laws. If you are considering the purchase, ownership or disposition of our A ordinary shares, you should consult your own tax advisors concerning the United States federal income tax consequences to you in light of your particular situation as well as any other consequences to you arising under U.S. federal, state and local laws and the laws of any other applicable taxing jurisdiction in light of your particular circumstances.

#### ***Taxation of Distributions***

Subject to the passive foreign investment company, or PFIC, rules discussed below, the gross amount of distributions on the shares will be taxable as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Because we do not expect to keep track of earnings and profits in accordance with United States federal income tax principles, you should expect that a distribution in respect of the A ordinary shares will generally be treated and reported as a dividend to you. Such dividend income will be includable in your gross income as ordinary income on the day actually received by you or on the day received by your nominee or agent that holds the shares on your behalf. Such dividends will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from other U.S. corporations under the Code.

With respect to non-corporate U.S. Holders, certain dividends received from a qualified foreign corporation may be subject to reduced rates of taxation. A foreign corporation is treated as a qualified foreign corporation with respect to dividends paid by that corporation on shares that are readily tradable on an established securities market in the United States. Our A ordinary shares are listed on the NYSE and we expect such shares to be considered readily tradable on an established securities market. However, even if the shares are readily tradable on an established securities market in the United States, we will not be treated as a qualified foreign corporation if we are a PFIC for the taxable year in which we pay a dividend or were a PFIC for the preceding taxable year. Non-corporate holders that do not meet a minimum holding period requirement during which they are not protected from a risk of loss or that elect to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the Code will not be eligible for the reduced rates of taxation regardless of our status as a qualified foreign corporation. For this purpose, the minimum holding period requirement will not be met if a share has been held by a holder for 60 days or less during the 121-day period beginning on the date which is 60 days before the date on which such share becomes ex-dividend with respect to such dividend, appropriately reduced by any period in which such holder is protected from risk of loss. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met. You should consult your own tax advisors regarding the availability of the reduced tax rate on dividends in light of your particular circumstances.

Subject to certain conditions and limitations imposed by United States federal income tax rules relating to the availability of the foreign tax credit, some of which vary depending upon the U.S. Holder's circumstances, any foreign withholding taxes on dividends will be treated as foreign taxes eligible for credit against your United States federal income tax liability. The application of the rules governing foreign tax credits depends on the particular circumstances of each U.S. Holder. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For purposes of calculating the foreign tax credit, dividends paid on the A ordinary shares will be treated as income from sources outside the United States and will generally constitute "passive category income." Further, in certain circumstances, you will not be allowed a foreign tax credit for foreign taxes imposed on certain dividends paid on the shares if you:

- have held shares for less than a specified minimum period during which you are not protected from risk of loss, or
- are obligated to make certain payments related to the dividends.

The rules governing the foreign tax credit are complex and involve the application of rules that depend on your particular circumstances. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

#### ***Passive Foreign Investment Company***

Based on the composition of our income and valuation of our assets, we do not believe we will be a PFIC for United States federal income tax purposes for the 2014 taxable year, and we do not expect to become one in the future. However, because PFIC status is an annual factual determination that cannot be made until after the close of each taxable year and depends on the composition of a company's income and assets and the market value of its assets from time to time, there can be no assurance that we will not be a PFIC for any taxable year.

In general, a non-United States corporation will be treated as a PFIC for U.S. federal income tax purposes for any taxable year in which:

- at least 75% of its gross income is passive income (the “income” test), or
- at least 50% of the value (determined based on a quarterly average) of its gross assets is attributable to assets that produce, or are held for the production of, passive income (the “asset” test).

For this purpose, passive income generally includes dividends, interest, royalties and rents (except for certain royalties and rents derived from the active conduct of a trade or business), certain gains from commodities and securities transactions and the excess of gains over losses from the disposition of assets which produce passive income.

If we own, directly or indirectly, at least 25% (by value) of the stock of another corporation, we will be treated, for purposes of the PFIC tests described above, as directly owning our proportionate share of the other corporation’s assets and receiving our proportionate share of the other corporation’s income.

If we are a PFIC for any taxable year during which you hold our shares, you will be subject to special tax rules with respect to any “excess distribution” received and any gain realized from a sale or other disposition, including a pledge, of shares, unless you make a “mark-to-market” election as discussed below.

Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the shares will be treated as excess distributions. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for your A ordinary shares,
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to tax at the highest applicable tax rate in effect for corporations or individuals, as appropriate, for that taxable year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition, or “excess distribution,” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the shares cannot be treated as capital and will be subject to the “excess distribution” regime described above, even if you hold the shares as capital assets.

In addition, non-corporate U.S. Holders will not be eligible for reduced rates of taxation on any dividends received from us if we are a PFIC in our taxable year in which such dividends are paid or in the preceding taxable year.

You will be required to file Internal Revenue Service Form 8621 annually regarding any distributions received on the A ordinary shares and any gain realized on the disposition of the A ordinary shares if you hold our A ordinary shares in any year in which we are classified as a PFIC, and other reporting requirements may apply.

If we are a PFIC for any taxable year during which a U.S. Holder holds our A ordinary shares and any of our non-United States subsidiaries is also a PFIC, a U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules.

Under these circumstances, a U.S. Holder would be subject to United States federal income tax on (i) a distribution on the shares of a lower-tier PFIC and (ii) a disposition of shares of a lower-tier PFIC, both as if such U.S. Holder directly held the shares of such lower-tier PFIC. You are urged to consult your tax advisors about the application of the PFIC rules to any of our subsidiaries.

In certain circumstances, in lieu of being subject to the excess distribution rules discussed above, you may make an election to include gain on the stock of a PFIC as ordinary income under a mark-to-market method, provided that such stock is regularly traded in other than de minimis quantities for at least 15 days during each calendar quarter on a qualified exchange, as defined in applicable U.S. Treasury Regulations. Our A ordinary shares are listed on the NYSE and we expect such shares to be “regularly traded” for purposes of the mark-to-market election.

If you make an effective mark-to-market election, you will include in each year that we are a PFIC, as ordinary income the excess of the fair market value of your A ordinary shares at the end of the year over your adjusted tax basis in the A ordinary shares. You will be entitled to deduct as an ordinary loss in each such year the excess of your adjusted tax basis in the A ordinary shares over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election.

If you make an effective mark-to-market election, any gain you recognize upon the sale or other disposition of your A ordinary shares in a year in which we are a PFIC will be treated as ordinary income. Any loss will be treated as ordinary loss, but only to the extent of the net amount of previously included income as a result of the mark-to-market election.

Your adjusted tax basis in the shares will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. If you make a mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the A ordinary shares are no longer regularly traded on a qualified exchange or the Internal Revenue Service consents to the revocation of the election.

A mark-to-market election should be made by filing IRS Form 8621 in the first taxable year during which the U.S. Holder held the A ordinary shares and in which we are a PFIC. A mark-to-market election would not be available with respect to a subsidiary PFIC of ours that a U.S. Holder is deemed to own for the purposes of the PFIC rules; accordingly, a U.S. Holder would not be able to mitigate certain of the adverse U.S. "excess distribution" federal income tax consequences of its deemed ownership of stock in our subsidiary PFICs by making a mark-to-market election. You are urged to consult your tax advisor about the availability of the mark-to-market election and whether making the election would be advisable in your particular circumstances.

Alternatively, holders of PFIC shares can sometimes avoid the rules described above by electing to treat such PFIC as a "qualified electing fund" under Section 1295 of the Code. However, this option is not available to you because we do not intend to comply with the requirements, or furnish you with the information, necessary to permit you to make this election.

You are urged to consult your tax advisors concerning the United States federal income tax consequences of holding A ordinary shares if we are considered a PFIC in any taxable year.

#### ***Sale or Other Disposition of A Ordinary Shares***

For United States federal income tax purposes, you will recognize taxable gain or loss on any sale or exchange or other taxable disposition of a A ordinary share in an amount equal to the difference between the amount realized for the share and your tax basis in the A ordinary share, in each case as determined in United States dollars. Subject to the discussion above under "Passive Foreign Investment Company," such gain or loss will be capital gain or loss. Capital gains of non-corporate U.S. Holders derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Any gain or loss recognized by you will generally be treated as United States source gain or loss for U.S. foreign tax credit purposes. You are encouraged to consult your tax advisor regarding the availability of the U.S. foreign tax credit in your particular circumstances.

#### ***Information Reporting and Backup Withholding***

In general, information reporting will apply to distributions in respect of our A ordinary shares and the proceeds from the sale, exchange or redemption of our A ordinary shares that are paid to you within the United States or through certain U.S.-related financial intermediaries, unless you are an exempt recipient. Backup withholding may apply to such payments if you fail to (i) provide a taxpayer identification number or (ii) certify that you are not subject to backup withholding. U.S. Holders who are required to establish their exemption from backup withholding must provide such certification on Internal Revenue Service Form W-9. U.S. Holders should consult their tax advisors regarding the application of the United States information reporting and backup withholding rules.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the Internal Revenue Service.

Certain U.S. Holders who hold "specified foreign financial assets," including shares of a non-U.S. corporation that are not held in an account maintained by a U.S. "financial institution," the aggregate value of which exceeds \$50,000 (or other applicable amount) during the tax year, may be required to attach to their tax returns for the year IRS Form 8938 containing certain specified information.

#### ***Medicare Tax***

Certain U.S. Holders that are individuals, estates or trusts will be subject to an additional 3.8% tax on all or a portion of their "net investment income," which may include all or a portion of their dividends and net gains from the disposition of shares. If you are a U.S. Holder that is an individual, estate or trust, you should consult your tax advisors regarding the applicability of this tax to your income and gains in respect of your investment in the A ordinary shares.

**F. Dividends and Paying Agents**

Not applicable.

**G. Statement by Experts**

Not applicable.

**H. Documents on Display**

Publicly filed documents concerning our company which are referred to in this annual report may be inspected and copied at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549. Copies of these materials can also be obtained from the Public Reference Room at the Commission's principal office, 100 F Street, N.E., Washington D.C. 20549, after payment of fees at prescribed rates.

The Commission maintains a website at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants that make electronic filings through its Electronic Data Gathering, Analysis, and Retrieval, or EDGAR, system. We have made all our filings with the Commission using the EDGAR system.

**I. Subsidiary Information**

For more information on our subsidiaries, please see "Part I — Item 4. Information on the Company — C. Organizational Structure."

**ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to financial risks, including interest rate risk, foreign currency risk and equity risk:

***Interest Rate Risk***

We are exposed to interest rate risk because our subsidiaries borrow funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed, capped and floating rate borrowings, and by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated to align with interest rate views to ensure the most cost effective hedging strategies are applied.

We entered into an interest rate swap contract in fiscal 2012 related to our borrowings with an interest cap with a notional value of \$100 million. Two written floor contracts each with \$100 million notional value were also entered into in fiscal 2012. The effect of these instruments, which are still valid, in combination is that the maximum cash outflow is 6% although the written floors mean that should market rates fall below the floor rate, then the interest charged would be twice the floor rate, although never exceeding 6%.

Under the interest swap contracts, we have agreed to exchange the difference between fixed and floating rate interest amounts calculated on an agreed notional principal amount. Such contracts enable us to mitigate the risk of changing interest rates on the cash flow of issued variable rate debt. The fair value of interest rate derivatives which comprise derivatives at fair value through profit and loss is determined at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

***Foreign Currency Risk***

We operate throughout the world with significant operations in India, the British Isles, the United States and the United Arab Emirates. As a result, we face both translation and transaction currency risks which are principally mitigated by matching foreign currency revenues and costs wherever possible.

A majority of our revenues are denominated in U.S. dollars, Indian Rupees and British Pounds Sterling, which are matched where possible to our costs so that these act as an automatic hedge against foreign currency exchange movements.

We have to date not entered into any currency hedging transactions, and we have managed foreign currency exposure to date by seeking to match foreign currency inflows and outflows to the extent possible.

A uniform decrease of 10% in exchange rates against all foreign currencies in position as of March 31, 2015 would have decreased our net income by approximately \$1.7 million. An equal and opposite impact would be experienced in the event of an increase by a similar percentage. Our sensitivity to foreign currency has increased during the year ended March 31, 2015 as a result of an increase in the percentage of liabilities denominated in foreign currency over the comparative period. As of March 31, 2015, 45% of our borrowings are denominated in foreign currency.

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

#### ***Equity Risk***

We are exposed to market risk relating to changes in the market value of our investments, which we hold for purposes other than trading. We invest in equity instruments of private companies for operational and strategic business reasons. These securities are subject to significant fluctuations in fair market value due to volatility in the industries in which they operate. As at March 31, 2015, the aggregate value of all such equity investments was \$29.9 million. For further discussion of our investments see Note 16 to our audited Consolidated Financial Statements appearing elsewhere in this Annual Report.

### **ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

#### **A. Debt Securities**

Not applicable.

#### **B. Warrants and Rights**

Not applicable.

#### **C. Other Securities**

Not applicable.

#### **D. American Depositary Shares**

Not applicable.



## PART II

### ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

### ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

### ITEM 15. CONTROLS AND PROCEDURES

As required by Rules 13a-15(e) and 15d-15(e) under the Exchange Act, management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this annual report. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding our required disclosure.

Based on the foregoing, our Chief Executive Officer and Chief Financial Officer have concluded that, as at March 31, 2015, our disclosure controls and procedures were effective and provide a reasonable level of assurance.

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

Internal control over financial reporting refers to a process designed by, or under the supervision of, our Group Chief Executive Officer and Group Chief Financial Officer and effected by our Board of Directors, management and other personnel, to provide reasonable assurance to our management and Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and members of our Board of Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of internal control over financial reporting as at March 31, 2015, based on the criteria established in 2013 *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the above criteria, and as a result of this assessment, management concluded that, as at March 31, 2015, our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal controls over financial reporting because the Jumpstart Our Business Startups Act provides an exemption from such requirement as we qualify as an emerging growth company.

In preparing the consolidated financial statements for our fiscal 2014 Annual Report, a significant deficiency in our internal control over financial control was identified regarding the accuracy of checks received pending deposit with banks. This was remedied immediately and not subsequently identified as a deficiency in fiscal 2015. During the period covered by this report, with the exception of the changes to remedy our internal control over checks received pending deposit with banks, no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act), have occurred that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT**

Our Audit Committee members are Messrs. Dilip Thakkar (Chairman) and Naresh Chandra. Each of Messrs. Thakkar and Chandra are an independent director pursuant to the applicable rules of the Commission and the NYSE. See “Part I — Item 6. Directors, Senior Management and Employees — A. Directors and Executive Officers” for the experience and qualifications of the members of the Audit Committee. Our Board of Directors has determined that Mr. Thakkar qualifies as an “audit committee financial expert” as defined in Item 16A of Form 20-F.

**ITEM 16B. CODE OF ETHICS**

We have adopted a written Code of Business Ethics and Conduct that is applicable to all of our directors, senior management and employees. We have posted the code on our website at [www.erosplc.com](http://www.erosplc.com). Information contained in our website does not constitute a part of this annual report. We will also make available a copy of the Code of Business Ethics and Conduct to any person, without charge, if a written request is made to Investor Relations at our offices at 13 Manchester Square, London W1 U3PP, United Kingdom.

**ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES****Principal Accountant Fees and Services**

Grant Thornton India LLP has served as our independent public accountant for the fiscal years ended March 31, 2015, 2014 and 2013. The following table shows the fees we paid or accrued for the audit and other services provided by Grant Thornton India LLP and associated entities for the years ended March 31, 2015, 2014 and 2013.

	Fiscal		
	2015	2014	2013
Audit fees	\$ 709,000	\$ 475,000	\$ 475,000
Audit-related fees	—	41,000	41,000
Tax fees	38,000	22,000	22,000

**Notes:**

*Audit fees.* This category consists of fees billed for the audit of financial statements, quarterly review of financial statements and other audit services, which are normally provided by the independent auditors in connection with statutory and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements and include the group audit; comfort letters and consents; attest services; and assistance with and review of documents filed with the Commission.

*Audit-related fees.* This category consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements or that are traditionally performed by the external auditor, and include service tax certifications.

*Tax fees.* This category includes fees billed for tax audits.

**Audit Committee Pre-approval Process**

Our Audit Committee reviews and pre-approves the scope and the cost of all audit and permissible non-audit services performed by our independent auditor. All of the services provided by Grant Thornton India LLP and associated entities during the last fiscal year have been pre-approved by our Audit Committee.

**ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

As permitted by the rules of the U.S. Securities and Exchange Commission, our audit committee is currently comprised of two non-executives. We believe that our reliance on this exemption from the listing standards for audit committees does not materially adversely affect the ability of our audit committee to act independently.

**ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

Neither we, nor any affiliated purchaser, made any purchase of our equity securities in fiscal 2015.

**ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT**

Not applicable.

**ITEM 16G. CORPORATE GOVERNANCE**

We have posted our Corporate Governance Guidelines on our website at [www.erosplc.com](http://www.erosplc.com). Information contained on our website does not constitute a part of this annual report.

The table below summarizes the composition of our committees during the year.

	Audit Committee	Remuneration Committee	Nomination Committee
Naresh Chandra	Member	Chairman	Chairman
Dilip Thakkar	Chairman	Member	Member
Michael Kirkwood <sup>(1)</sup>	Member	Member	Member
Greg Coote <sup>(2)</sup>	—	Member	—

(1) Mr. Kirkwood ceased being a Director and a member of any committees on December 1, 2014.

(2) Mr. Coote passed away whilst in office in June 2014.

Each of Mssrs. Chandra and Thakkar satisfies the “independence” requirements of the NYSE listing standards and the “independence” requirements of Rule 10A-3 of the Exchange Act. Mssrs. Kirkwood and Coote also satisfied these requirements during their tenure.

As our shares are listed on the NYSE, we are subject to the NYSE listing standards. We believe that our corporate governance practices do not differ in any significant way from those required to be followed by issuers incorporated in the United States under the NYSE listing standards, except that the Dodd-Frank Wall Street Reform and Consumer Protection Act generally provides shareholders of United States public companies with the right to cast three types of votes: (i) an advisory vote to approve the compensation of the named executive officers, (ii) an advisory vote on the frequency with which shareholders should be entitled to cast votes on the company’s executive compensation, and (iii) an advisory vote to approve certain payments made in connection with an acquisition, merger or other specified corporate transaction. We, as a foreign private issuer, are not subject to these requirements and we do not adopt any such voting practices.

As a foreign private issuer, we are exempt from the rules under the Exchange Act governing the furnishing and content of proxy statements, and our directors, senior management and principal shareholders are exempt from the reporting and “short-swing profit” recovery provisions contained in Section 16 of the Exchange Act.

**ITEM 16H. MINE SAFETY DISCLOSURE**

Not applicable.

**PART III****ITEM 17. FINANCIAL STATEMENTS**

See “Part III — Item 18. Financial Statements” for a list of our consolidated financial statements included elsewhere in this annual report.

**ITEM 18. FINANCIAL STATEMENTS**

The following statements are filed as part of this annual report, together with the report of the independent registered public accounting firm:

- Report of Independent Registered Public Accounting Firm Grant Thornton India LLP
- Consolidated Statements of Financial Position as at March 31, 2015 and 2014
- Consolidated Statements of Income for the years ended March 31, 2015, 2014 and 2013
- Consolidated Statements of Comprehensive Income for the years ended March 31, 2015, 2014 and 2013
- Consolidated Statements of Changes in Equity for the years ended March 31, 2015, 2014 and 2013
- Consolidated Statements of Cash Flows for the years ended March 31, 2015, 2014 and 2013
- Notes to Consolidated Financial Statements

**ITEM 19. EXHIBITS**

The following exhibits are filed as part of this annual report:

<u>Exhibit Number</u>	<u>Title</u>	<u>Reference</u>
1.1	Memorandum of Association	(f)
1.2	Articles of Association	(f)
2.1	Form of A Share Certificate	(d)
4.1	Relationship Agreement, between Eros International Media Limited, the Company and Eros Worldwide FZ-LLC, dated December 16, 2009	(b)
4.2	Shareholders' Agreement, between Eros Multimedia Private Limited and the Group and Big Screen Entertainment Private Limited, dated January 13, 2007	(b)
4.3	Shareholders' Agreement for Ayngaran International Limited, dated July 11, 2007	(b)
4.4	Employment Agreement of Sunil Lulla as Executive Vice Chairman of Eros International Media Limited, dated September 29, 2009	(b)
4.5	Service Agreement of Andrew Heffernan as Chief Financial Officer, dated June 27, 2006	(b)
4.6	Service Agreement of Kishore Lulla as Chairman and Chief Executive Officer, dated June 27, 2006	(b)
4.7	Service Agreement of Vijay Ahuja as Vice Chairman and President (International), dated June 27, 2006	(b)
4.8	Rules of the Eros International Plc Bonus Share Plan Unapproved Option Scheme 2006, dated May 17, 2006	(b)
4.9	Credit Facility, between Eros International Plc, Citibank, N.A., London Branch, Lloyds TSB Bank Plc and the Royal Bank of Scotland Plc, with Lloyds TSB Bank Plc as Facility Agent, in the original principal amount of \$125 million, dated January 5, 2012	(b)
4.10	Increase Confirmation, from UBS AG, Singapore Branch, to Lloyds TSB Bank Plc as Facility Agent and Eros International Plc, dated January 12, 2012	(b)
4.11	IPO Plan Form of Option Agreement	(d)
4.12	Eros International Media Pvt. Ltd. ESOP 2009	(c)
4.13	Form of Joint Share Ownership Deed Measured By Total Share Return	(c)
4.14	Form of Joint Share Ownership Deed Measured By Super Total Share Return	(c)
4.15	Form of Joint Share Ownership Deed Measured By Earnings Per Share	(c)
4.16	Employee Benefit Trust Deed	(c)
4.17	Form of Option Agreement for Option Awards approved April 17, 2012	(d)
4.18	Service Agreement of Jyoti Deshpande as Group Chief Executive Officer and Managing Director of Eros International Plc, dated September 5, 2013	(e)
4.19	Employment Agreement of Jyoti Deshpande as Executive Director of Eros International Media Limited, dated August 29, 2013	(d)
4.20	Service Agreement of Jyoti Deshpande as Chief Executive Officer of Eros International Limited, dated September 1, 2013	(d)
4.21	Service Agreement of Vijay Ahuja as Executive Director of Eros International Pte Ltd, dated April 1, 2013	(d)

<b><u>Exhibit Number</u></b>	<b><u>Title</u></b>	<b><u>Reference</u></b>
4.22	Service Agreement of Pranab Kapadia as President – Europe & Africa of Eros International Ltd., dated December 1, 2007	(d)
4.23	Form of Increase Confirmation, from HSBC Bank Plc to Lloyds TSB Bank Plc as Facility agent and Eros International Plc, dated July 31, 2013	(d)
4.24	Service Agreement of Prem Parameswaran as Chief Financial Officer and President of North America, dated May 26, 2015	(a)
4.25	Service Agreement of Rishika Lulla Singh as Chief Executive Officer – Eros Digital FZ LLC, dated July 3, 2015	(a)
4.26	Service Agreement of David Maisel as Non-Executive Director, dated February 13, 2015	(a)
4.27	Service Agreement of Rajeev Misra as Non-Executive Director, dated June 17, 2015	(a)
4.28	Form of 2014 Option Agreement for Option Awards	(a)
4.29	Form of 2015 Option Agreement for Option Awards	(a)
4.30	Trust Deed constituting the £50 million 6.50% Bonds due 2021, dated October 15, 2014	(a)
4.31	Amended Credit Agreement, between Eros International Plc, Citibank, N.A., London Branch, Lloyds TSB Bank Plc and the Royal Bank of Scotland Plc, dated February 12, 2015	(a)
8.1	Subsidiaries of Eros International Plc	(a)
15.1	Consent to Use of Federation of Indian Chambers of Commerce and Industry – KPMG Indian Media and Entertainment Industry Reports	(a)
(a)	Filed herewith	
(b)	Previously filed on March 30, 2012 as an exhibit to the Company's Registration Statement on Form F-1 (File No. 333-180469) and incorporated herein by reference.	
(c)	Previously filed on April 24, 2012 as an exhibit to Amendment No. 1 to the Company's Registration Statement on Form F-1 (File No. 333-180469) and incorporated herein by reference.	
(d)	Previously filed on October 29, 2013 as an exhibit to Amendment No. 5 to the Company's Registration Statement on Form F-1 (File No. 333-180469) and incorporated herein by reference.	
(e)	Previously filed on November 5, 2013 as an exhibit to Amendment No. 6 to the Company's Registration Statement on Form F-1 (File No. 333-180469) and incorporated herein by reference.	
(f)	Previously filed on June 17, 2014 as an exhibit to the Company's Annual Report on Form 20-F and incorporated herein by reference.	

**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: July 8, 2015

**EROS INTERNATIONAL PLC**

By: /s/ Jyoti Deshpande  
Name: Jyoti Deshpande  
Title: Group Chief Executive Officer

**EROS INTERNATIONAL PLC**  
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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors and Shareholders  
Eros International PLC

We have audited the accompanying consolidated statements of financial position of Eros International PLC and subsidiaries (the "Company") as of March 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended March 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Eros International PLC and subsidiaries as of March 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2015, in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

/s/ Grant Thornton India LLP

Mumbai, India  
July 8, 2015

**EROS INTERNATIONAL PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2015 AND 2014**

	Note	As at March 31	
		2015	2014
(in thousands)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	\$ 9,272	\$ 10,166
Goodwill	13	1,878	1,878
Intangible assets — trade name	13	14,000	14,000
Intangible assets — content	14	719,214	577,704
Intangible assets — others	15	2,204	1,515
Available-for-sale financial assets	16	29,917	30,340
Trade and other receivables	18	5,692	12,056
Restricted deposits held with banks		613	—
Deferred tax assets	10	151	77
<b>Total non-current assets</b>		<b>\$ 782,941</b>	<b>\$ 647,736</b>
<b>Current assets</b>			
Inventories	17	\$ 475	\$ 566
Trade and other receivables	18	209,676	111,649
Current tax receivable		455	611
Cash and cash equivalents	20	153,664	145,449
Restricted deposits held with banks		2,322	—
<b>Total current assets</b>		<b>366,592</b>	<b>258,275</b>
<b>Total assets</b>		<b>\$ 1,149,533</b>	<b>\$ 906,011</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	19	\$ 29,453	\$ 31,611
Short-term borrowings	22	96,397	92,879
Current tax payable		2,631	4,090
<b>Total current liabilities</b>		<b>\$ 128,481</b>	<b>\$ 128,580</b>
<b>Non-current liabilities</b>			
Long-term borrowings	22	\$ 218,273	\$ 165,254
Other long term liabilities		354	393
Derivative financial instruments	23	19,284	11,483
Deferred tax	10	27,086	22,260
<b>Total non-current liabilities</b>		<b>\$ 264,997</b>	<b>\$ 199,390</b>
<b>Total liabilities</b>		<b>\$ 393,478</b>	<b>\$ 327,970</b>
<b>EQUITY</b>			
Share capital	24	\$ 30,622	\$ 26,322
Share premium		345,385	223,333
Reserves		389,682	342,856
Other components of equity	27	(43,881)	(39,315)
JSOP reserve	26	(24,474)	(25,505)
<b>Equity attributable to equity holders of Eros International Plc</b>		<b>\$ 697,334</b>	<b>\$ 527,691</b>
Non-controlling interests		58,721	50,350
<b>Total equity</b>		<b>\$ 756,055</b>	<b>\$ 578,041</b>
<b>Total liabilities and shareholder's equity</b>		<b>\$ 1,149,533</b>	<b>\$ 906,011</b>

The accompanying notes form an integral part of these financial statements.

**EROS INTERNATIONAL PLC**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED MARCH 31, 2015, 2014 AND 2013**

	Note	Year ended March 31		
		2015	2014	2013
		(in thousands, except per share amounts)		
<b>Revenue</b>	4	\$ 284,175	\$ 235,470	\$ 215,346
Cost of sales		(155,777)	(132,933)	(134,002)
<b>Gross profit</b>		<b>128,398</b>	<b>102,537</b>	<b>81,344</b>
Administrative costs		(49,546)	(42,680)	(26,308)
<b>Operating profit</b>		<b>78,852</b>	<b>59,857</b>	<b>55,036</b>
Financing costs	7	(10,791)	(9,910)	(6,202)
Finance income	7	4,930	2,393	4,733
Net finance costs	7	(5,861)	(7,517)	(1,469)
Other losses	8	(10,483)	(2,353)	(7,989)
<b>Profit before tax</b>		<b>62,508</b>	<b>49,987</b>	<b>45,578</b>
Income tax expense	9	(13,178)	(12,843)	(11,913)
<b>Profit for the year</b>		<b>\$ 49,330</b>	<b>\$ 37,144</b>	<b>\$ 33,665</b>
<b>Attributable to:</b>				
Equity holders of Eros International Plc		\$ 40,344	\$ 29,861	\$ 27,107
Non-controlling interest		8,986	7,283	6,558
		<b>\$ 49,330</b>	<b>\$ 37,144</b>	<b>\$ 33,665</b>
<b>Earnings per share (cents)</b>				
Basic earnings per share	11	74.3	65.5	68.7
Diluted earnings per share	11	72.4	65.2	68.6

The accompanying notes form an integral part of these financial statements.

**EROS INTERNATIONAL PLC**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED MARCH 31, 2015, 2014 AND 2013**

	Note	Year ended March 31		
		2015	2014	2013
(in thousands, except per share amounts)				
Profit for the year		\$ 49,330	\$ 37,144	\$ 33,665
<b>Other comprehensive (loss)</b>				
<b>Items that will not be subsequently reclassified to profit or loss</b>				
Revaluation of property		—	—	1,726
<b>Items that will be subsequently reclassified to profit or loss</b>				
Exchange differences on translating foreign operations		(7,247)	(15,706)	(14,613)
Reclassification of cash flow hedge to income statement		804	1,233	—
Reclassification of impairment loss on available-for-sale financial asset to income statement		820	—	—
<b>Total other comprehensive (loss) for the year</b>		<b>\$ (5,623)</b>	<b>\$ (14,473)</b>	<b>\$ (12,887)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>\$ 43,707</b>	<b>\$ 22,671</b>	<b>\$ 20,778</b>
<b>Attributable to</b>				
Equity holders of Eros International Plc		35,778	19,978	16,194
Non-controlling interests		7,929	2,693	4,584

The accompanying notes form an integral part of these financial statements.

**EROS INTERNATIONAL PLC**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2015, 2014 AND 2013**

	Note	Year ended March 31		
		2015	2014	2013
(in thousands)				
<b>Cash flow from operating activities</b>				
Profit before tax		\$ 62,508	\$ 49,987	\$ 45,578
Adjustments for:				
Depreciation	12	1,089	789	1,003
Share based payment	25	21,915	18,421	1,888
Amortization of intangible film and content rights	14	117,254	99,620	101,955
Amortization of other intangible assets	15	608	578	715
Other non-cash items	28	17,005	1,858	6,089
Net finance costs	7	5,861	7,517	1,469
Movement in trade and other receivables		(93,975)	(34,204)	(21,765)
Movement in inventories		67	216	254
Movement in trade and other payables		1,361	927	13,634
(Gain)/loss on sale of property, plant and equipment		(9)	7	389
Cash generated from operations		133,684	145,716	151,209
Interest paid		(6,929)	(9,656)	(4,659)
Income taxes paid		(8,800)	(3,528)	(9,103)
<b>Net cash generated from operating activities</b>		<b>\$ 117,955</b>	<b>\$ 132,532</b>	<b>\$ 137,447</b>
<b>Cash flows from investing activities</b>				
Advance given to an undertaking	37	\$ (2,465)	\$ —	\$ —
Purchase of property, plant and equipment		(529)	(102)	(86)
Proceeds from disposal of property, plant and equipment		29	12	88
Investment in restricted deposits held with banks		(2,935)	—	—
Purchase of intangible film rights and related content		(276,216)	(163,150)	(186,676)
Purchase of other intangible assets		(1,322)	(112)	(473)
Interest received		4,198	2,332	4,819
<b>Net cash used in investing activities</b>		<b>\$ (279,240)</b>	<b>\$ (161,020)</b>	<b>\$ (182,328)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of share capital, net of transaction costs		\$ 110,027	\$ 50,608	\$ —
Proceeds from issue of shares by subsidiary		1,477	150	596
Proceeds from issue out of treasury shares		888	—	—
Proceeds from disposal of subsidiary shares		—	—	9,435
Dividend paid to non-controlling interests		—	—	(770)
Repayment of short term debt with maturity less than three months (net)		(2,983)	—	—
Proceeds from short term borrowings		69,815	10,474	—
Repayment of short term borrowings		(65,296)	—	(6,969)
Proceeds from long term borrowings, net of transaction costs of \$1,909 (2014: \$Nil, 2013: \$Nil)		91,206	29,830	11,015
Repayment of long term borrowings		(27,573)	(21,665)	(1,836)
<b>Net cash generated from financing activities</b>		<b>\$ 177,561</b>	<b>\$ 69,397</b>	<b>\$ 11,471</b>
Net increase/(decrease)increase in cash and cash equivalents		16,276	40,909	(33,410)
Effects of exchange rate changes on cash and cash equivalents		(8,061)	(3,102)	(4,370)
Cash and cash equivalents at beginning of year		145,449	107,642	145,422
<b>Cash and cash equivalents at the end of year</b>		<b>\$ 153,664</b>	<b>\$ 145,449</b>	<b>\$ 107,642</b>

The accompanying notes form an integral part of these financial statements.

**EROS INTERNATIONAL PLC**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2015**

	Other components of equity						Reserves				Equity Attributable to Shareholders of EROS International PLC	Non- controlling interest	Total equity
	Share capital	Share premium account	Currency translation reserve	Available for sale investments	Revaluation reserve	Hedging reserve	Reverse acquisition reserve (in thousands)	Merger reserve	Retained earnings	JSOP reserve			
<b>Balance as of April 1, 2014</b>	\$ 26,322	\$ 223,333	\$ (43,858)	\$ 5,802	\$ 1,528	\$ (2,787)	\$ (22,752)	\$ 62,203	\$ 303,405	\$ (25,505)	\$ 527,691	\$ 50,350	\$ 578,041
Profit for the year	—	—	—	—	—	—	—	—	40,344	—	40,344	8,986	49,330
Other comprehensive income/(loss) for the year	—	—	(6,190)	820	—	804	—	—	—	—	(4,566)	(1,057)	(5,623)
<b>Total comprehensive income/(loss) for the year</b>	—	—	(6,190)	820	—	804	—	—	40,344	—	35,778	7,929	43,707
Issue of shares, net of transaction costs of \$6,057 (refer Note 24)	4,026	106,001	—	—	—	—	—	—	—	—	110,027	—	110,027
Issue out of treasury shares (refer Note 26)	—	(143)	—	—	—	—	—	—	—	1,031	888	—	888
Share based compensation	274	16,194	—	—	—	—	—	—	5,447	—	21,915	—	21,915
Changes in ownership interests in subsidiaries that do not result in a loss of control	—	—	—	—	—	—	—	1,035	—	—	1,035	442	1,477
<b>Balance as of March 31, 2015</b>	<u>\$ 30,622</u>	<u>345,385</u>	<u>(50,048)</u>	<u>6,622</u>	<u>1,528</u>	<u>(1,983)</u>	<u>(22,752)</u>	<u>63,238</u>	<u>349,196</u>	<u>(24,474)</u>	<u>697,334</u>	<u>58,721</u>	<u>756,055</u>

The accompanying notes form an integral part of these financial statements.

**EROS INTERNATIONAL PLC**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2014**

	Other components of equity						Reserves				Equity Attributable to Shareholders of EROS International PLC	Non- controlling interest	Total equity
	Share capital	Share premium account	Currency translation reserve	Available for sale investments	Revaluation reserve	Hedging reserve	Reverse acquisition reserve (in thousands)	Merger reserve	Retained earnings	JSOP reserve			
<b>Balance as of April 1, 2013</b>	\$ 22,653	\$ 159,547	\$ (32,742)	\$ 5,802	\$ 1,528	\$ (4,020)	\$ (22,752)	\$ 62,097	\$ 271,970	\$ (25,505)	\$ 438,578	\$ 47,598	\$ 486,176
Profit for the year	—	—	—	—	—	—	—	—	29,861	—	29,861	7,283	37,144
Other comprehensive income/(loss) for the year	—	—	(11,116)	—	—	1,233	—	—	—	—	(9,883)	(4,590)	(14,473)
<b>Total comprehensive income/(loss) for the year</b>	—	—	(11,116)	—	—	1,233	—	—	29,861	—	19,978	2,693	22,671
Issue of shares (refer Note 24)	3,437	47,171	—	—	—	—	—	—	—	—	50,608	—	50,608
Dividend paid by a subsidiary	—	—	—	—	—	—	—	—	—	—	—	15	15
Share based compensation	232	16,615	—	—	—	—	—	—	1,574	—	18,421	—	18,421
Changes in ownership interests in subsidiaries that do not result in a loss of control	—	—	—	—	—	—	—	106	—	—	106	44	150
<b>Balance as of March 31, 2014</b>	<u>\$ 26,322</u>	<u>\$ 223,333</u>	<u>\$ (43,858)</u>	<u>\$ 5,802</u>	<u>\$ 1,528</u>	<u>\$ (2,787)</u>	<u>\$ (22,752)</u>	<u>\$ 62,203</u>	<u>\$ 303,405</u>	<u>\$ (25,505)</u>	<u>\$ 527,691</u>	<u>\$ 50,350</u>	<u>\$ 578,041</u>

The accompanying notes form an integral part of these financial statements.

**EROS INTERNATIONAL PLC**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2013**

	Other components of equity						Reserves				Equity Attributable to Shareholders of EROS International PLC	Non- controlling interest	Total equity
	Share capital	Share premium account	Currency translation reserve	Available for sale investments	Revaluation reserve	Hedging reserve	Reverse acquisition reserve (in thousands)	Merger reserve	Retained earnings	JSOP reserve			
<b>Balance as of April 1, 2012</b>	\$ 21,687	\$ 135,008	\$ (20,534)	\$ 5,802	\$ 233	\$ (4,020)	\$ (22,752)	\$ 57,766	\$ 242,975	—	\$ 416,165	\$ 38,083	\$ 454,248
Profit for the year	—	—	—	—	—	—	—	—	27,107	—	27,107	6,558	33,665
Other comprehensive income/(loss) for the year	—	—	(12,208)	—	1,295	—	—	—	—	—	(10,913)	(1,974)	(12,887)
<b>Total comprehensive income/(loss) for the year</b>	—	—	(12,208)	—	1,295	—	—	—	27,107	—	16,194	4,584	20,778
Issues of shares to wholly owned trust (Refer Note 24)	966	24,539	—	—	—	—	—	—	—	(25,505)	—	—	—
Dividend paid by a subsidiary	—	—	—	—	—	—	—	—	—	—	—	(770)	(770)
Share based compensation	—	—	—	—	—	—	—	—	1,888	—	1,888	—	1,888
Changes in ownership interests in subsidiaries that do not result in a loss of control	—	—	—	—	—	—	—	4,331	—	—	4,331	5,701	10,032
<b>Balance as of March 31, 2013</b>	<u>\$ 22,653</u>	<u>\$ 159,547</u>	<u>\$ (32,742)</u>	<u>\$ 5,802</u>	<u>\$ 1,528</u>	<u>\$ (4,020)</u>	<u>\$ (22,752)</u>	<u>\$ 62,097</u>	<u>\$ 271,970</u>	<u>\$ (25,505)</u>	<u>\$ 438,578</u>	<u>\$ 47,598</u>	<u>\$ 486,176</u>

The accompanying notes form an integral part of these financial statements.



**EROS INTERNATIONAL PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

## **1 NATURE OF OPERATIONS, GENERAL INFORMATION AND BASIS OF PREPARATION**

Eros International Plc (“Eros” or the “Company”) and its subsidiaries’ (together with Eros, the “Group”) principal activities include the acquisition, co-production and distribution of Indian films and related content. Eros International Plc is the Group’s ultimate parent company. It is incorporated and domiciled in the Isle of Man. The address of Eros International Plc’s registered office is Fort Anne, Douglas, Isle of Man IM1 5PD. On July 9, 2014, Eros completed a follow-on offering of ‘A’ ordinary 6,787,445 shares on the New York Stock Exchange (“NYSE”) at a price of \$14.50 per share to the public, raising \$92.3 million in new capital, net of transaction costs of \$6.1 million (refer to Note 24).

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention on a going concern basis, with the exception of revaluation of certain properties and certain financial instruments.

The Group’s accounting policies as set out below have been applied consistently throughout the Group to all the periods presented, unless otherwise stated. The functional currency of Eros is U.S. Dollars. The presentation currency of the Group is U.S. Dollars as this is the currency that the majority of its funding and transactions are denominated in. A significant proportion of the Group’s trading is denominated in India Rupee (“INR”). However, the Group’s major financial liabilities are denominated in U.S. Dollars and Eros is listed on the NYSE, an international financial market, so the Group continues to use U.S. Dollars as its presentation currency.

The financial statements for the year ended March 31, 2015 were approved by the Eros Board of Directors and authorized for issue on July 8, 2015.

## **2 GOING CONCERN**

The Group meets its day to day working capital requirements and funds its investment in content through a variety of banking arrangements and cash generated from operations. Under the terms of such banking arrangements the Group is able to draw down in the local currencies of its operating businesses. The net foreign currency monetary assets and liabilities position at March 31, 2015 and 2014 are shown in Note 29.

The borrowings (as set out in Note 22) are subject to individual covenants which vary but include provisions such as a fixed charge over certain assets, total available facilities against statement of financial position value, net debt against earnings before interest, income, tax expense, depreciation, certain impairments and amortization (“EBITDA”), certain financial ratios (such as a leverage ratio and fixed cover ratio), and a negative pledge that restricts the Group’s ability to incur liens, security interests or similar encumbrances or arrangements on its assets. The Group is cash generating before capital expenditures and is in full compliance with the covenants contained in its existing debt facilities.

The Group is exposed to uncertainties arising from the global economic climate and also in the markets in which it operates. Market conditions could lead to lower than anticipated demand for the Group’s products and services and exchange rate volatility could also impact reported performance. Management has considered the impact of these and other uncertainties and factored them into their financial forecasts and assessment of covenant headroom. The Group’s forecasts and projections, taking account of reasonably possible changes in trading performance (and available mitigating actions), show that the Group will be able to operate within the expected limits of the facilities and provide headroom against the covenants for the foreseeable future. For this reason, Management continues to adopt the going concern basis in preparing the financial statements.

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1. Overall Considerations**

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized below. Financial statements are subject to the application of significant accounting estimates and judgments. These are summarized in Note 35.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **3.2. Basis of Consolidation**

The Group financial statements consolidate results of the Company and entities controlled by the Company and its subsidiary undertakings. Control exists when the Company has existing rights that give the Company the current ability to direct the activities which affect the entity's returns; the Company is exposed to or has rights to a return which may vary depending on the entity's performance; and the Company has the ability to use its powers to affect its own returns from its involvement with the entity.

Unrealized gains on transactions between the Group and its subsidiaries are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Business combinations are accounted for under the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Changes in controlling interest in a subsidiary that do not result in gaining or losing control are not business combinations as defined by IFRS 3. The Group adopts the "equity transaction method" which regards the transaction as a realignment of the interests of the different equity holders in the Group. Under the equity transaction method an increase or decrease in the Group's ownership interest is accounted for as follows:

- the non-controlling component of equity is adjusted to reflect the non-controlling interest revised share of the net carrying value of the subsidiaries net assets;
- the difference between the consideration received or paid and the adjustment to non-controlling interests is debited or credited to a different component of equity — merger reserves;
- no adjustment is made to the carrying amount of goodwill or the subsidiaries' net assets as reported in the consolidated financial statements; and
- no gain or loss is reported in the income statement.

### **3.3. Segment Reporting**

IFRS 8 Operating Segments ("IFRS 8") requires operating segments to be identified on the same basis as is used internally for the review of performance and allocation of resources by the Group chief executive officer. The revenues of films are earned over various formats; all such formats are functional activities of filmed entertainment and these activities take place on an integrated basis. The management team reviews the financial information on an integrated basis for the Group as a whole, with respective heads of business for each region and in accordance with IFRS 8, the Company provides a geographical split as it considers that all activities fall within one segment of business which is filmed entertainment. The management team also monitors performance separately for individual films or for at least 12 months after the theatrical release. Certain resources such as publicity and advertising, and the cost of a film are also reviewed globally.

Eros has identified four geographic areas, consisting of its main geographic areas (India, North America and Europe), together with the rest of the world.

### **3.4. Revenue**

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

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

- **Theatrical** — Contracted minimum guarantees are recognized on the theatrical release date. The Group's share of box office receipts in excess of the minimum guarantee is recognized at the point they are notified to the Group.
- **Television** — License fees received in advance which do not meet all the above criteria are included in deferred income until the above criteria is met.

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

### **3.5. Goodwill**

Goodwill represents the excess of the consideration transferred in a business combination over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is carried at cost less accumulated impairment losses. Gain on bargain purchase is recognized immediately after acquisition in the consolidated income statement.

### **3.6. Intangible Assets**

Non-Current Intangible assets acquired by the Group are stated at cost less accumulated amortization less impairment loss, if any, except those acquired as part of a business combination, which are shown at fair value at the date of acquisition less accumulated amortization less impairment loss, if any (film production cost and content advances are transferred to film and content rights at the point at which content is first exploited). "Eros" (the "Trade name") is considered to have an indefinite life because of the institutional nature of the corporate brand name, its proven ability to maintain market leadership and the Group's commitment to develop, enhance and retain its value. The carrying value is reviewed at least annually for impairment and adjusted to recoverable amount if required.

#### **Content**

Investments in films and associated rights, including acquired rights and distribution advances in respect of completed films, are stated at cost less amortization less provision for impairment. Costs include production costs, overhead and capitalized interest costs net of any amounts received from third party investors. A charge is made to write down the cost of completed rights over the estimated useful lives, writing off more in year one which recognizes initial income flows and then the balance over a period of up to nine years, except where the asset is not yet available for exploitation. The average life of the assets is the lesser of 10 years or the remaining life of the content rights. The amortization charge is recognized in the income statement within cost of sales. The determination of useful life is based upon Management's judgment and includes assumptions on the timing and future estimated revenues to be generated by these assets, which are summarized in Note 35.3.

#### **Others**

Other intangible assets, which comprise internally generated and acquired software used within the Group's digital, home entertainment and internal accounting activities, are stated at cost less amortization less provision for impairment. A charge is made to write down the cost of completed rights over the estimated useful lives except where the asset is not yet available for exploitation. The average life of the assets is the lesser of 5 years or the remaining life of the asset. The amortization charge is recognized in the income statement within administrative expenses.

#### **Subsequent expenditure**

Expenditure on capitalized intangible assets subsequent to the original expenditure is included only when it increases the future economic benefits embodied in the specific asset to which it relates.

#### **Internally generated assets**

An internally generated intangible asset arising from the Group's software development activities that is expected to be completed is recognized only if all the following criteria are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost can be measured reliably.

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When these criteria are met and there are appropriate resources to complete development, the expenditure is capitalized at cost. Where these criteria are not met development expenditure is recognized as an expense in the period in which it is incurred. Internally generated intangible assets are amortized over their useful economic life from the date that they start generating future economic benefits.

**3.7. Impairment Testing of Goodwill, Other Intangible Assets and Property, Plant and Equipment.**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which Management monitors the related cash flows.

Goodwill and Trade names are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognized for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit.

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

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist.

**3.8. Property, Plant & Equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Land and freehold buildings are shown at what Management believes to be their fair value, based on, among other things, periodic but at least triennial valuations by an external independent valuer, less subsequent depreciation for freehold buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount. Increases in the carrying amount arising on revaluation of freehold land and buildings are credited to other reserves in shareholders' equity. Decreases that offset previous increases are charged against other reserves.

Depreciation is provided to write off the cost of all property, plant and equipment to their residual value as stated below:

	<b>Rate of depreciation % straight line per annum</b>
Freehold Building	2-10
Furniture & Fixtures and Equipment	15-20
Vehicles and Plant & Machinery	15-40

Material residual value estimates are updated as required, but at least annually, whether or not the asset is revalued.

**3.9. Inventories**

Inventories primarily comprise of music CDs and DVDs, and are valued at the lower of cost and net realizable value. Cost in respect of goods for resale is defined as purchase price, including appropriate labor costs and other overhead costs. Cost in respect of raw materials is purchase price.

Purchase price is assigned using a weighted average basis. Net realizable value is defined as anticipated selling price or anticipated revenue less cost to completion.

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**3.10. Cash and Cash Equivalents**

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

**3.11. Restricted Deposits held with Banks**

Deposits held with banks as security for overdraft facilities are included in restricted deposits held with bank.

**3.12. Borrowings**

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

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

**3.13. Financial Instruments**

Financial assets and financial liabilities are recognized when a Group entity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities (other than financial assets and liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in profit or loss. Financial assets and financial liabilities are offset against each other and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

A financial instrument is held for trading if:

- it has been acquired principally for the purpose of selling/repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent pattern of short-term profit taking; or
- it is a derivative that is not designated in a hedging relationship.

The fair value of financial instruments denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore for financial instruments that are classified as fair value through profit and loss, the exchange component is recognized in profit and loss through "other losses."

**3.14. Financial Assets**

Financial assets are divided into the following categories:

- financial assets at fair value through profit and loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

Financial assets are assigned to the different categories by Management on initial recognition, depending on the nature and purpose of the financial assets. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

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**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank and cash balances) are measured subsequent to initial recognition at amortized cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognized in the income statement.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

**Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

**Available-for-sale financial assets**

Available-for-sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category are measured subsequently at fair value, with changes in fair value recognized in other comprehensive income. Gains and losses arising from investments classified as available-for-sale are recognized in the income statement when they are sold or when the investment is impaired.

In the case of impairment of available-for-sale assets, any loss previously recognized in other comprehensive income is transferred to the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement. Impairment losses recognized previously on debt securities are reversed through the income statement when the increase can be related objectively to an event occurring after the impairment loss was recognized in the income statement.

Where the Group consider that fair value can be reliably measured the fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group applies its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date. Available-for-sale equity instruments that do not have a quoted price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment at the end of each reporting period.

An assessment for impairment is undertaken at least at each statement of financial position date.

A financial asset is de-recognized only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for de-recognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for de-recognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

**3.15. Financial Liabilities**

Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'. Financial liabilities are subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss.

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading such as a derivative, except for a designated and effective hedging instrument, or if upon initial recognition it is thus designated to eliminate or significantly reduce measurement or recognition inconsistency or it forms part of a contract containing one or more embedded derivatives and the contract is designated as fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value. Any gains or losses arising of held for trading financial liabilities are recognized in profit or loss. Such gains or losses incorporate any interest paid and are included in the "other gains and losses" line item.

Other financial liabilities (including borrowing and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

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The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

A financial liability is derecognized only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires. Changes in liabilities' fair value that are reported in profit or loss are included in the income statement within finance costs or finance income.

### **3.16. Derivative Financial Instruments**

The Group uses derivative financial instruments ("derivatives") to reduce its exposure to interest rate movements.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the profit or loss depends on the nature of the hedge relationship.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

#### **Cash flow hedging**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of other reserves. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognized in profit or loss, in the same line of the consolidated income statement as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Cash flow hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

### **3.17. Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligations and can be reliably measured. Provisions are measured at Management's best estimate of the expenditure required to settle the obligations at the statement of financial position date and are discounted to present value where the effect is material.

### **3.18. Leases**

Leases in which significantly all the risks and rewards incidental to ownership are not transferred to the lessee are classified as operating leases. Payments under such leases are charged to the income statement on a straight line basis over the period of the lease.

### **3.19. Taxation**

Taxation on profit and loss comprises current tax and deferred tax. Tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or other comprehensive income.

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Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the statement of financial position date along with any adjustment relating to tax payable in previous years.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled in the appropriate territory.

Deferred tax in respect of undistributed earnings of subsidiaries is recognized except where the Group is able to control the timing of the reversal of the temporary difference and that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilized.

Deferred tax assets and deferred tax liabilities are offset if, and only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### **3.20. Employee Benefits**

The Group operates defined contribution pension plans and healthcare and insurance plans on behalf of its employees. The amounts due are all expensed as they fall due.

In accordance with IFRS 2 Share Based Payments, the fair value of shares or options granted is recognized as personnel costs with a corresponding increase in equity. The fair value is measured at the grant date and spread over the period during which the recipient becomes unconditionally entitled to payment unless forfeited or surrendered.

The fair value of share options granted is measured using the Black Scholes model or a Monte-Carlo simulation model, each taking into account the terms and conditions upon which the grants are made. At each statement of financial position date, the Group revises its estimate of the number of equity instruments expected to vest as a result of non-market-based vesting conditions. The amount recognized as an expense is adjusted to reflect the revised estimate of the number of equity instruments that are expected to become exercisable, with a corresponding adjustment to equity reserves. None of the Group plans feature any options for cash settlements.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares are allocated to share capital with any excess being recorded as share premium.

### **3.21. Foreign Currencies**

Transactions in foreign currencies are translated at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated at the prevailing rates of exchange at the statement of financial position date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognized in the income statement in the period in which they arise. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The assets and liabilities in the financial statements of foreign subsidiaries and related goodwill are translated at the prevailing rate of exchange at the statement of financial position date. Income and expenses are translated at the monthly average rate. The exchange differences arising from the retranslation of the foreign operations are recognized in other comprehensive income and taken in to the "currency translation reserve" in equity. On disposal of a foreign operation the cumulative translation differences (including, if applicable, gains and losses on related hedges) are transferred to the income statement as part of the gain or loss on disposal.



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**3.22. Transactions Costs Relating to Equity Transactions**

The Group defers costs in issuing or acquiring its own equity instruments to the extent they are incremental costs directly attributable to an equity transaction that otherwise would have been avoided. Such costs are accounted for as a deduction from equity (net of any related income tax benefit) upon completion of the equity transaction. The costs of an equity transaction which is abandoned is recognized as an expense.

**3.23. Equity**

Equity comprises the following components:

- Share capital – this represents the nominal value of equity shares;
- Share premium – this represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue;
- Joint Share Ownership Reserve – this represents the cost of shares of Eros held by the JSOP trust, consolidated as a part of the Group and treated as treasury shares; and
- Non-Controlling Interests – this represents amounts attributable to non-controlling interests as a result of their interests in subsidiary undertakings.

Other components of equity, which comprises of the following components:

- Currency translation reserve – this represents the differences arising from translation of investments in overseas subsidiaries;
- Available-for-sale investments – this represents fair value movement net of impairment loss, if any, recognized since the date of acquisition of investments;
- Revaluation reserve – this represents the fair value movement of land and buildings measured on a fair value basis; and
- Hedging reserve – this represents effective portion of change in fair value of derivative instruments designated in a cash flow hedge relationship.

Reserves, which comprises of the following components:

- Reverse acquisition reserve – this represents the difference between the required total of the Group's equity instruments and the reported equity of the legal parent;
- Merger reserve – this represents the gain/loss recognized as a result of a change in parent undertakings ownership interest in a subsidiary undertaking without loss of control; and
- Retained earnings – this represents undistributed earnings of the Group.

**4 BUSINESS SEGMENTAL DATA**

The Group acquires, co-produces and distributes Indian films in multiple formats worldwide. Film content is monitored and strategic decisions around the business operations are made based on the film content, whether it is new release or library. Hence, Management identifies only one operating segment in the business, film content. We distribute our film content to the Indian population in India, the South Asian diaspora worldwide and to non-Indian consumers who view Indian films that are subtitled or dubbed in local languages. As a result of these distribution activities, Eros has identified four geographic markets: India, North America, Europe and the Rest of the world.

Revenues are presented based on the region of domicile and by customer location:

	Year ended March 31		
	2015	2014	2013
	(in thousands)		
<b>Revenue by region of domicile of Group's operation</b>			
India	\$ 110,015	\$ 125,062	\$ 128,001
Europe	29,528	21,152	31,450
North America	10,014	13,622	10,797
Rest of the world	134,618	75,634	45,098
Total Revenue	<u>\$ 284,175</u>	<u>\$ 235,470</u>	<u>\$ 215,346</u>

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Revenue of \$80,267,000 (2014: \$54,466,000 and 2013: \$32,585,000) from the United Arab Emirates is included within Rest of the world and revenue of \$29,528,000 (2014: \$20,996,000 and 2013: \$25,563,000) from the United Kingdom is included under Europe in the above table.

	Year ended March 31		
	2015	2014 (in thousands)	2013
<b>Revenue by region of domicile of customer's location</b>			
India	\$ 109,513	\$ 117,647	\$ 135,292
Europe	27,146	22,245	35,147
North America	19,052	14,017	12,678
Rest of the world	128,464	81,561	32,229
Total Revenue	<u>\$ 284,175</u>	<u>\$ 235,470</u>	<u>\$ 215,346</u>

Revenue of \$103,786,000 (2014: \$45,636,000 and 2013: \$14,460,000) from the United Arab Emirates is included within Rest of the world and revenue of \$26,426,000 (2014: \$14,975,000 and 2013: \$34,945,000) from United Kingdom is included under Europe in the above table.

For the year ended March 31, 2015, March 31, 2014 and March 31, 2013, no customers accounted for more than 10% of the Group's total revenues. In each year no revenue arose in the Isle of Man.

	India	North America	Europe	Rest of the World
	(in thousands)			
<b>Assets</b>				
As of March 31, 2015	\$ 281,019	\$ 653	\$ 24,224	\$ 440,672
As of March 31, 2014	<u>245,887</u>	<u>\$ 28</u>	<u>\$ 39,618</u>	<u>\$ 319,730</u>

Segment assets of \$330,719,000 (2014: \$276,865,000) in the United Arab Emirates is included under Rest of the world and segment assets of \$24,224,000 (2014: \$21,132,000) in the United Kingdom is included under Europe in the above table. In each year, there were no segment assets in the Isle of Man.

## 5 PERSONNEL COSTS

	Year ended March 31		
	2015	2014 (in thousands)	2013
Salaries	\$ 11,092	\$ 10,413	\$ 9,275
Social security and other employment charges	687	1,116	676
<b>Salaries and other charges</b>	11,779	11,529	9,951
Share based compensation	21,915	18,421	1,888
Pension charges	34	66	41
	<u>\$ 33,728</u>	<u>\$ 30,016</u>	<u>\$ 11,880</u>

	Year ended March 31		
	2015	2014 (in thousands)	2013
<b>Key Management Compensation</b>			
Salaries	\$ 4,724	\$ 4,753	\$ 3,859
Share based compensation	17,942	15,796	1,303
Pension charges	34	39	41
	<u>\$ 22,700</u>	<u>\$ 20,588</u>	<u>\$ 5,203</u>

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**6 PROFIT FOR THE YEAR**

Profit for the year is arrived at after the following are charged to the income statement:

	Year ended March 31		
	2015	2014 (in thousands)	2013
Depreciation of property, plant and equipment	\$ 1,089	\$ 789	\$ 1,003
Amortization of other intangible assets	608	578	715
Amortization of film and content rights	117,254	99,620	101,955
Operating lease rentals	1,356	973	1,223

**7 NET FINANCE COSTS**

	Year ended March 31		
	2015	2014 (in thousands)	2013
Interest on borrowings	\$ 20,858	\$ 17,382	\$ 13,720
Profit recognized on discontinuation of cash flow hedge accounting	804	1,233	—
Total interest expense for financial liabilities not classified at fair value through profit or loss	21,662	18,615	13,720
Capitalized interest on filmed content	(10,871)	(8,705)	(7,518)
Total finance costs	10,791	9,910	6,202
Less: Interest income			
Bank deposits	(4,930)	(2,393)	(4,206)
Held- to- maturity financial assets	—	—	(527)
Total finance income	(4,930)	(2,393)	(4,733)
	<u>\$ 5,861</u>	<u>\$ 7,517</u>	<u>\$ 1,469</u>

For the year ended March 31, 2015, the capitalization rate of interest was 5.9% (2014: 7.4% and 2013: 5.6%).

**8 OTHER LOSSES**

	Year ended March 31		
	2015	2014 (in thousands)	2013
(Gains)/losses on disposal of property, plant and equipment	\$ (9)	\$ 7	\$ 389
Net foreign exchange losses/(gains)	1,323	(646)	1,933
Net loss/(gain) on held for trading financial liabilities	7,801	(5,177)	5,667
Transaction costs relating to equity transactions	61	8,169	—
Impairment loss on available-for-sale financial assets	1,307	—	—
	<u>\$ 10,483</u>	<u>\$ 2,353</u>	<u>\$ 7,989</u>

The net loss on held for trading financial liabilities in the years ended March 31, 2015, 2014 and 2013 principally relate to derivative instruments not designated in a hedging relationship.

In the year ended March 31, 2015, the Company incurred \$6,118,000 towards the issue of 'A' ordinary shares in a follow-on offering on the NYSE and sale of certain existing shares. In the year ended March 31, 2014, the Company incurred \$13,583,000 towards the issue and listing of the 'A' ordinary shares of the Company on the NYSE and contemporaneous delisting on AIM. As the transaction costs incurred relate to more than one transaction, the Company allocated these costs in proportion to the number of existing shares listed on NYSE and the number of shares newly issued. Transactions costs of \$61,000 (2014: \$8,169,000) attributed towards sale/listing of existing shares are recorded in profit or loss and as a result, \$6,057,000 (2014: \$5,414,000) was recorded in equity.

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**9 INCOME TAX EXPENSE**

	Year ended March 31		
	2015	2014 (in thousands)	2013
<b>Current tax expense</b>	\$ 7,472	\$ 6,487	\$ 7,102
Origination and reversal of temporary differences	5,706	6,356	4,811
<b>Provision for income taxes</b>	<u>\$ 13,178</u>	<u>\$ 12,843</u>	<u>\$ 11,913</u>

Reconciliation of tax charge

	Year ended March 31		
	2015	2014 (in thousands)	2013
Profit before tax	\$ 62,508	\$ 49,987	\$ 45,578
Income tax expense at tax rates applicable to individual entities	10,827	10,543	9,921
Tax effect of:			
Changes in tax rates on temporary differences brought forward	—	1,497	—
Items not deductible for tax (net)	1,953	741	421
Others	398	62	1,571
<b>Income tax expense</b>	<u>\$ 13,178</u>	<u>\$ 12,843</u>	<u>\$ 11,913</u>

**10 DEFERRED TAX ASSETS AND LIABILITIES**

Changes in deferred tax assets and liabilities

	Year ended March 31, 2015			
	Opening Balance	Recognized in income statement (in thousands)	Exchange Difference	Closing Balance
<b>Deferred tax assets:</b>				
Minimum alternate tax carry- forward	\$ 11,681	\$ 3,045	\$ (480)	\$ 14,246
Property, plant and equipment	77	74	—	151
Others	1,880	(1,114)	2	768
<b>Total deferred tax asset</b>	<u>\$ 13,638</u>	<u>\$ 2,005</u>	<u>\$ (478)</u>	<u>\$ 15,165</u>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(311)	61	10	(240)
Intangible assets	(35,457)	(7,728)	1,432	(41,753)
Others	(53)	(44)	(10)	(107)
<b>Total deferred tax liability</b>	<u>\$ (35,821)</u>	<u>\$ (7,711)</u>	<u>\$ 1,432</u>	<u>\$ (42,100)</u>
<b>Net deferred tax (liability) / asset</b>	<u>\$ (22,183)</u>	<u>\$ (5,706)</u>	<u>\$ 954</u>	<u>\$ (26,935)</u>
<b>As at March 31, 2015</b>				
Deferred tax asset				\$ 151
Deferred tax liability				<u>\$ (27,086)</u>

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	Year ended March 31, 2014			
	Opening Balance	Recognized in income statement	Exchange Difference	Closing Balance
	(in thousands)			
<b>Deferred tax assets:</b>				
Business loss carry forwards	\$ 383	\$ (343)	\$ (40)	\$ —
Expenses deductible in future years	17	(19)	2	—
Minimum alternate tax carry- forward	9,661	2,186	(166)	11,681
Property, plant and equipment	122	(45)	—	77
Others	1,879	145	(144)	1,880
<b>Total deferred tax asset</b>	<u>\$ 12,062</u>	<u>\$ 1,924</u>	<u>\$ (348)</u>	<u>\$ 13,638</u>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(310)	(25)	24	(311)
Intangible assets	(29,969)	(8,308)	2,820	(35,457)
Others	(53)	53	(53)	(53)
<b>Total deferred tax liability</b>	<u>\$ (30,332)</u>	<u>\$ (8,280)</u>	<u>\$ 2,791</u>	<u>\$ (35,821)</u>
<b>Net deferred tax asset / (liability)</b>	<u>\$ (18,270)</u>	<u>\$ (6,356)</u>	<u>\$ 2,443</u>	<u>\$ (22,183)</u>
<b>As at March 31, 2014</b>				
<b>Deferred tax asset</b>				<u>\$ 77</u>
<b>Deferred tax liability</b>				<u>\$ (22,260)</u>
	Year ended March 31, 2013			
	Opening Balance	Recognized in income statement	Exchange Difference	Closing Balance
	(in thousands)			
<b>Deferred tax assets:</b>				
Business loss carry forwards	\$ 403	\$ 5	\$ (25)	\$ 383
Expenses deductible in future years	21	2	(6)	17
Minimum alternate tax carry- forward	5,220	4,768	(327)	9,661
Property, plant and equipment	78	45	(1)	122
Others	1,843	131	(95)	1,879
<b>Total deferred tax asset</b>	<u>\$ 7,565</u>	<u>\$ 4,951</u>	<u>\$ (454)</u>	<u>\$ 12,062</u>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(160)	(161)	11	(310)
Intangible assets	(21,787)	(9,548)	1,366	(29,969)
Others	—	(53)	—	(53)
<b>Total deferred tax liability</b>	<u>\$ (21,947)</u>	<u>\$ (9,762)</u>	<u>\$ 1,377</u>	<u>\$ (30,332)</u>
<b>Net deferred tax asset / (liability)</b>	<u>\$ (14,382)</u>	<u>\$ (4,811)</u>	<u>\$ 923</u>	<u>\$ (18,270)</u>
<b>As at March 31, 2013</b>				
<b>Deferred tax asset</b>				<u>\$ 569</u>
<b>Deferred tax liability</b>				<u>\$ (18,839)</u>

Deferred tax is calculated in full on all temporary differences under the liability method using the local tax rate of the country in which the timing difference occurs.

Deferred tax assets have been recognized on the basis that there is sufficient certainty of profitability to utilize the available losses and tax credits. Deferred tax liabilities to the extent of \$33,900,000 have not been provided on the undistributed earnings of subsidiaries as Eros is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Eros International Media Limited is liable to pay Minimum Alternate Tax ("MAT") under the Indian Income tax laws. The tax paid under MAT provisions can be carried forward and set-off against future income tax liabilities computed under normal tax provisions within a period of ten years, and has been treated as a deferred tax asset.

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In addition to the amount charged in the income statement, no amounts relating to tax have been recognized in other comprehensive income. No amounts relating to tax have been recognized directly in equity.

**11 EARNINGS PER SHARE**

	2015		2014		2013	
	(in thousands, except number of shares and earnings per share)					
	Basic	Diluted	Basic	Diluted	Basic	Diluted
<b>Earnings</b>						
Earnings attributable to the equity holders of the parent	\$ 40,344	\$ 40,344	\$ 29,861	\$ 29,861	\$ 27,107	\$ 27,107
Potential dilutive effect related to share based compensation scheme in subsidiary undertaking	—	(531)	—	(141)	—	(23)
<b>Adjusted earnings attributable to equity holders of the parent</b>	<u>\$ 40,344</u>	<u>\$ 39,813</u>	<u>\$ 29,861</u>	<u>\$ 29,720</u>	<u>\$ 27,107</u>	<u>\$ 27,084</u>
Number of shares						
Weighted average number of shares	54,277,849	54,277,849	45,590,242	45,590,242	39,438,958	39,438,958
Potential dilutive effect related to share based compensation scheme	—	690,902	—	16,525	—	17,457
Adjusted weighted average number of shares	<u>54,277,849</u>	<u>54,968,751</u>	<u>45,590,242</u>	<u>45,606,767</u>	<u>39,438,958</u>	<u>39,456,415</u>
<b>Earnings per share</b>						
Earnings attributable to the equity holders of the parent per share (cents)	<u>74.3</u>	<u>72.4</u>	<u>65.5</u>	<u>65.2</u>	<u>68.7</u>	<u>68.6</u>

The above table does not split the earnings per share separately for the 'A' ordinary 30p shares and the 'B' ordinary 30p shares as there is no variation in their entitlement to participate in undistributed earnings. All share and per share data provided herein gives effect to the three-for-one stock split conversion that occurred in November 2013, retroactively.

The Company excludes options with exercise prices that are greater than the average market price from the calculation of diluted EPS because their effect would be anti-dilutive. In the year ended March 31, 2015, 630,000 shares were not included in diluted earnings per share (2014: \$Nil, 2013: 2,000,164).

**12 PROPERTY, PLANT AND EQUIPMENT**

	Year ended March 31, 2015				
	Land and Building	Furniture, Fittings and Equipment	Vehicles (in thousands)	Plant and Machinery	Total
Opening net carrying amount	\$ 8,978	\$ 583	\$ 207	\$ 398	\$ 10,166
Exchange difference	(269)	(17)	(9)	(11)	(306)
Additions	—	52	228	241	521
Disposals	—	(1)	(242)	(6)	(249)
Adjustment of depreciation on disposal	—	1	222	6	229
Depreciation charge	(417)	(232)	(125)	(315)	(1,089)
<b>Closing net carrying amount</b>	<u>\$ 8,292</u>	<u>\$ 386</u>	<u>\$ 281</u>	<u>\$ 313</u>	<u>\$ 9,272</u>

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	As at March 31, 2015 (in thousands)				
Cost or valuation	\$ 10,934	\$ 1,651	\$ 893	\$ 3,094	\$ 16,572
Accumulated depreciation	(2,642)	(1,265)	(612)	(2,781)	(7,300)
<b>Net carrying amount</b>	<b>\$ 8,292</b>	<b>\$ 386</b>	<b>\$ 281</b>	<b>\$ 313</b>	<b>\$ 9,272</b>

	Year ended March 31, 2014				
	Land and Building	Furniture, Fittings and Equipment	Vehicles (in thousands)	Plant and Machinery	Total
Opening net carrying amount	\$ 10,089	\$ 760	\$ 327	\$ 504	\$ 11,680
Exchange difference	(639)	(61)	(29)	(46)	(775)
Additions	—	13	—	55	68
Disposals	—	(64)	(72)	(22)	(158)
Adjustment of depreciation on disposal	—	63	60	17	140
Depreciation charge	(472)	(128)	(79)	(110)	(789)
<b>Closing net carrying amount</b>	<b>\$ 8,978</b>	<b>\$ 583</b>	<b>\$ 207</b>	<b>\$ 398</b>	<b>\$ 10,166</b>

	As at March 31, 2014 (in thousands)				
Cost or valuation	\$ 11,245	\$ 1,642	\$ 937	\$ 2,972	\$ 16,796
Accumulated depreciation	(2,267)	(1,059)	(730)	(2,574)	(6,630)
<b>Net carrying amount</b>	<b>\$ 8,978</b>	<b>\$ 583</b>	<b>\$ 207</b>	<b>\$ 398</b>	<b>\$ 10,166</b>

Property, Plant and Equipment with a net carrying amount of \$9,184,000 (2014: \$10,055,000) have been pledged to secure borrowings (see Note 22).

Land and buildings were revalued as at March 31, 2013 by independent valuers on the basis of market value. Fair values were estimated based on recent market transactions, which were then adjusted for specific conditions relating to the land and buildings. As at March 31, 2015, had land and buildings of the Group been carried at historical cost less accumulated depreciation, their carrying amount would have been \$6,309,000 (2014: \$7,072,000)

### 13 GOODWILL AND TRADE NAME

	Goodwill (in thousands)	Trade Name
<b>Balance as at March 31, 2015</b>	<b>\$ 1,878</b>	<b>\$ 14,000</b>
<b>Balance as at March 31, 2014</b>	<b>\$ 1,878</b>	<b>\$ 14,000</b>

Goodwill has been assessed for impairment at the Group level as the Group is considered as one single cash generating unit and represents the lowest level at which the goodwill is monitored for internal management purposes.

The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

As of March 31, 2015, for assessing impairment of goodwill, value in use is determined using discounted cash flow method. The estimated cash flows for a period of five years were developed using internal forecasts, and a pre-tax discount rate of 12.0% (2014:12.10%) and terminal growth rate of 4.0% (2014: 4.0%).

As of March 31, 2015, for assessing the impairment of the trade name, value in use is determined using the relief from royalty method based on a Royalty of 3.0% (2014: 3.0%) on the estimated total revenue for a period of five years and, a pre-tax discount rate of 14.0% (2014: 14.1%) and terminal growth rate of 4.0% (2014: 4.0%).

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

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**14 INTANGIBLE CONTENT ASSETS**

	Gross Content Assets	Accumulated Amortization (in thousands)	Content Assets
<b>As at March 31, 2015</b>			
Film and content rights	\$ 1,027,878	\$ (548,920)	\$ 478,958
Content advances	236,285	—	236,285
Film productions	3,971	—	3,971
<b>Non-current content assets</b>	<b>\$ 1,268,134</b>	<b>\$ (548,920)</b>	<b>\$ 719,214</b>
<b>As at March 31, 2014</b>			
Film and content rights	\$ 847,095	\$ (449,413)	\$ 397,682
Content advances	180,022	—	180,022
<b>Non-current content assets</b>	<b>\$ 1,027,117</b>	<b>\$ (449,413)</b>	<b>\$ 577,704</b>

Changes in the content assets are as follows:

	Year ended March 31	
	2015	2014
	(in thousands)	
<b>Film productions</b>		
<b>Opening balance</b>	\$ —	\$ 1,170
Exchange difference	(15)	(113)
Transfer to film and content rights	—	(640)
Transfer from/(to) content advances	3,986	(417)
<b>Closing balance</b>	<b>\$ 3,971</b>	<b>\$ —</b>
<b>Content advances</b>		
<b>Opening balance</b>	\$ 180,022	\$ 163,781
Additions (net of impairment loss of \$3,431 (2014: \$4,081))	267,940	162,495
Exchange difference	(3,508)	(9,706)
Transfer (to)/from film productions	(3,986)	417
Transfer to film and content rights	(204,183)	(136,965)
<b>Closing balance</b>	<b>\$ 236,285</b>	<b>\$ 180,022</b>
<b>Film and content rights</b>		
<b>Opening balance</b>	\$ 397,682	\$ 370,353
Amortization	(117,254)	(99,620)
Exchange difference	(5,653)	(10,656)
Transfer from other content assets	204,183	137,605
<b>Closing balance</b>	<b>\$ 478,958</b>	<b>\$ 397,682</b>

The impairment loss on content advances relate to amounts advanced, to the extent not considered recoverable, for prospective film productions that are not being developed further or not considered viable.

Film and content rights with a carrying amount of \$266,372,000 (2014: \$203,244,000) have been pledged to secure borrowings (see Note 22).



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**15 OTHER INTANGIBLE ASSETS**

Other intangibles comprise of internally generated software used within the Group's digital and home entertainment activities and internal accounting activities.

	<u>Gross</u>	<u>Accumulated Amortization (in thousands)</u>	<u>Net</u>
Other intangible assets	4,220	(2,016)	2,204
<b>As at March 31, 2015</b>	<b>\$ 4,220</b>	<b>\$ (2,016)</b>	<b>\$ 2,204</b>
Other intangible assets	4,360	(2,845)	1,515
<b>As at March 31, 2014</b>	<b>\$ 4,360</b>	<b>\$ (2,845)</b>	<b>\$ 1,515</b>

The changes in other intangible assets are as follows:

	<u>Year ended March 31</u>	
	<u>2015</u>	<u>2014</u>
	<u>(in thousands)</u>	
<b>Opening balance</b>	<b>\$ 1,515</b>	<b>\$ 2,117</b>
Additions during the year	1,320	84
Amortization	(608)	(578)
Exchange difference	(23)	(108)
<b>Closing balance</b>	<b>\$ 2,204</b>	<b>\$ 1,515</b>

Other intangible assets with a carrying amount of \$89,000 (2014: \$94,000) have been pledged to secure borrowings (see Note 22).

**16 AVAILABLE-FOR-SALE FINANCIAL ASSETS**

	<u>As at March 31</u>	
	<u>2015</u>	<u>2014</u>
	<u>(in thousands)</u>	
Triple Com Media Private Limited	\$ —	\$ 423
Valuable Technologies Limited	11,097	11,097
LMB Holdings Limited	16,800	16,800
Valuable Innovations Private Limited	2,020	2,020
	<b>\$ 29,917</b>	<b>\$ 30,340</b>

The investment in Triple Com Media Pvt. Limited ("Triple Com") represents 10% share of the issued share capital of that company. Triple Com is involved in the aggregation and syndication of television and cable media rights in India. Due to the range of potential outcomes in valuing Triple Com, the Board was unable to give, with reasonable certainty, a fair value in the absence of detailed financial and/or valuation related information. Until March 31, 2014, Management therefore held it at cost which equates to the fair value as at March 31, 2012. During the year ended March 31, 2015, Management noted objective evidence of impairment of the investment and present value of estimated future cash flows discounted at the current rate of return for similar financial assets was considered to be insignificant. The carrying value of the investment amounting to \$423,000 has therefore been impaired and the cumulative loss and currency translation movement recognized in other comprehensive income amounting to \$820,000 has been reclassified from equity to profit and loss.

Eros acquired an interest in Valuable Technologies Limited ("Valuable") in the year ended March 31, 2009. The Company manages and operates a number of companies within media and entertainment, technology and infrastructure. These companies include UFO Moviez, the leading provider of Digital projection solutions for cinemas in India, Boxtech which is involved with digital movie rentals, and Impact whose business is theatrical ticketing and sales data. As at March 31, 2015, Eros owns 7.21% of Valuable's equity. In the year ended March 31, 2015, due to the range of potential outcomes in valuing Valuable, the Board was unable to give, with reasonable certainty, a fair value in the absence of detailed financial and/or valuation related information. Management has therefore held it at cost which equates to the fair value recognized in the year ended March 31, 2012.

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Acacia Investments Holdings Limited (“Acacia”) is a dormant holding company and owns 24% of L.M.B Holdings Limited (“LMB”) which through its subsidiaries operates satellite television channels, such as B4U Music, B4U Movies and the Movie House Channel. As of March 31, 2015 and prior, the Group had no Board representation, no involvement in policy decision making, did not provide input in respect of technical know-how and had no material contract with LMB or its subsidiaries nor did they have the power to exert significant influence. As a result Management has historically concluded, throughout the ownership of the investment, that they did not exert any significant influence over LMB. Due to the range of potential outcomes in valuing LMB, the Board was unable to give, with reasonable certainty, a fair value. Management has therefore held it at cost which equates to the fair value recognized in the year ended March 31, 2012.

In April 2010, Eros acquired a 1.27% interest in Valuable Innovations Private Limited (“Valuable Innovations”) at a total cost of \$2,020,000. An entity related to Valuable Technologies, Valuable Innovations houses new technology and patents of the Valuable group entities and develops related products. In the year ended March 31, 2015, due to the range of potential outcomes in valuing Valuable Innovations Private Limited, the Board was unable to give, with reasonable certainty, a fair value in the absence of detailed financial and/or valuation related information. Management has therefore held it at cost.

These investments in unquoted equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose.

**17 INVENTORIES**

	As at March 31	
	2015	2014
	(in thousands)	
Goods for resale	\$ 475	\$ 566
	<u>\$ 475</u>	<u>\$ 566</u>

During the year ended March 31, 2015, inventory of \$776,000 (2014: \$880,000) was recognized in the income statement as an expense. In each year none of the expense was as a result of the write down of inventories. Inventories with a carrying amount of \$316,000 (2014: \$351,000) have been pledged as security for certain of the Group’s borrowings (see Note 22).

**18 TRADE AND OTHER RECEIVABLES**

	As at March 31	
	2015	2014
	(in thousands)	
Trade accounts receivables	\$ 198,066	\$ 109,933
Trade accounts receivables reserve	(250)	(469)
<b>Trade accounts receivables net</b>	<u>\$ 197,816</u>	<u>\$ 109,464</u>
Other receivables	14,273	12,721
Prepaid charges	3,279	1,520
<b>Trade and other receivables</b>	<u>\$ 215,368</u>	<u>\$ 123,705</u>
<b>Current Trade and other receivables</b>	209,676	111,649
<b>Non Current Trade and other receivables</b>	5,692	12,056
	<u>\$ 215,368</u>	<u>\$ 123,705</u>

The age of financial assets that are past due but not impaired were as follows:

	As at March 31	
	2015	2014
	(in thousands)	
Not more than three months	\$ 19,677	\$ 30,216
More than three months but not more than six months	4,620	5,865
More than six months but not more than one year	7,106	11,250
More than one year	5,906	4,973
	<u>\$ 37,309</u>	<u>\$ 52,304</u>

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During the year ended March 31, 2015, terms of certain trade and other receivables that were past due but not impaired have been renegotiated for commercial reasons. As at March 31, 2015, the carrying amounts of the original receivables, adjusted for change in contractual cash flows as at the date of renegotiation and considered not past due was \$31,230,000 (2014: \$Nil).

The movements in the trade accounts receivables reserve are as follows:

	Year ended March 31		
	2015	2014 (in thousands)	2013
At April 1	\$ 469	\$ 759	\$ 478
Provisions	3,963	2,166	427
Amounts written off	(4,182)	(2,456)	(146)
At March 31	<u>\$ 250</u>	<u>\$ 469</u>	<u>\$ 759</u>

The carrying amount of trade accounts receivables and other receivables are considered a reasonable approximation of fair value. Trade and other receivables with a net carrying amount of \$35,958,000 (2014: \$25,482,000) have been pledged to secure borrowings (see Note 22).

## 19 TRADE AND OTHER PAYABLES

	As at March 31	
	2015	2014
	(in thousands)	
Trade accounts payable	\$ 10,679	\$ 10,868
Accruals and other payables	15,447	18,959
Value added taxes and other taxes payable	3,327	1,784
	<u>\$ 29,453</u>	<u>\$ 31,611</u>

The Group considers that the carrying amount of trade accounts payable, accruals and other payables approximate their fair value.

## 20 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balance with banks. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position.

	As at March 31	
	2015	2014
	(in thousands)	
Cash at bank and in hand	\$ 153,664	\$ 145,449
	<u>\$ 153,664</u>	<u>\$ 145,449</u>

## 21 OPERATING LEASES

The Group leases various offices and warehouses under non-cancellable operating lease agreements. The minimum lease rentals to be paid under non-cancellable operating leases at March 31 were as follows:

	As at March 31	
	2015	2014
	(in thousands)	
Within one year	\$ 568	\$ 684
Within two to five years	1,081	2,001
	<u>\$ 1,649</u>	<u>\$ 2,685</u>

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**22 BORROWINGS**

An analysis of long-term borrowings is shown in the table below.

	Nominal Interest Rate	Maturity	As at March 31	
			2015	2014
(in thousands)				
<b>Asset backed borrowings</b>				
Term Loan	BPLR+2.75%	2014-15	\$ —	\$ 165
Term Loan	13.3-15.0%	2014-15	—	645
Term Loan	10.0 -16.0%	2017-18	147	38
Term Loan	BPLR+1.8%	2016-17	12,032	16,650
Term Loan	BPLR+2.75%	2017-18	2,974	4,384
Term Loan	BPLR+2.75%	2018-19	—	2,679
Term Loan	BPLR+2.85%	2019-20	10,808	—
			<u>\$ 25,961</u>	<u>\$ 24,561</u>
Retail bond	6.5%	2021-22	\$ 74,228	\$ —
Revolving facility	LIBOR +1.90%- 2.90% and Mandatory Cost	2016-17	141,250	158,750
Other borrowings	10.5%	2021-22	8,013	8,516
			<u>\$ 223,491</u>	<u>\$ 167,266</u>
Nominal value of borrowings			\$ 249,452	\$ 191,827
Cumulative effect of unamortized costs			(2,940)	(1,716)
Installments due within one year			(28,239)	(24,857)
Long-term borrowings — at amortized cost			<u>\$ 218,273</u>	<u>\$ 165,254</u>

In October 2014, Eros completed an offering of 6.50% Retail Bonds (due 2021) on the London Stock Exchange (“LSE”), raising £50,000,000 (USD \$77,930,000) in total proceeds net of transaction cost of approximately £1.2 million (\$1,791,000). Interest on these bonds is payable biannually on April 15 and October 15 each year.

Bank prime lending rate (“BPLR”) is the Indian equivalent to LIBOR. Asset backed borrowings are secured by fixed and floating charges over certain Group assets.

**Analysis of short-term borrowings**

	Nominal interest rate (%)	As at March 31	
		2015	2014
(in thousands)			
<b>Asset backed borrowings</b>			
Export credit and overdraft	BPLR+1-3.5%	\$ 17,346	\$ 15,695
Export credit and overdraft	LIBOR+3.5%	25,144	23,997
Short term loan	LIBOR+2.75%	—	5,500
		<u>\$ 42,490</u>	<u>\$ 45,192</u>
<b>Unsecured borrowings</b>			
Commercial paper	10.65% –12.97%	25,668	13,320
Export credit and overdraft	BPLR+3.9%	—	6,735
Short term loan	BPLR+3.5%	—	2,775
Installments due within one year on long-term borrowings		28,239	24,857
Short-term borrowings - at amortized cost		<u>\$ 96,397</u>	<u>\$ 92,879</u>

Fair value of the long term borrowings as at March 31, 2015 is \$233,450,000 (2014: \$179,106,000). Fair values of long-term financial liabilities except retail bonds have been determined by calculating their present values at the reporting date, using fixed effective market interest rates available to the Companies within the Group. As at March 31, 2015, the fair value of retail bond amounting to \$74,813,000 has been determined using quoted prices from the LSE. Carrying amount of short term borrowings approximates fair value.

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**23 DERIVATIVE FINANCIAL INSTRUMENTS**

	As of March 31			
	2015		2014	
	Current	Non-current	Current	Non-current
Derivative assets	\$ —	\$ —	\$ —	\$ —
Derivative liabilities	\$ —	\$ (19,284)	\$ —	\$ (11,483)

The above interest rate derivative instruments are not designated in a hedging relationship. They are carried at fair value through profit or loss.

**24 ISSUED SHARE CAPITAL**

	Number of Shares	GBP (in thousands)
<b>Authorized</b>		
A ordinary shares of 30p each at March 31, 2015 and March 31, 2014	57,778,113	17,333
B ordinary shares of 30p each at March 31, 2015 and March 31, 2014	25,555,220	7,667

	Number of Shares			USD
	A Ordinary 30p Shares	B Ordinary 30p Shares	Ordinary 10p Shares	(in thousands)
<b>Allotted, called up and fully paid</b>				
<b>As at March 31, 2013</b>	—	—	124,317,367	22,653
Issue of shares on August 12, 2013	—	—	1,431,000	221
Issue of shares on September 18, 2013	—	—	5,029,935	800
Three-for-one stock split and conversion on November 18, 2013	18,037,710	25,555,220	(130,778,302)	23,674
Issue of shares on November 18, 2013	5,481,630	—	—	2,648
<b>As at March 31, 2014</b>	23,519,340	25,555,220	—	26,322
Issue of shares on July 15, 2014	6,675,000	—	—	3,434
Issue of shares on July 23, 2014	112,445	—	—	58
Issue of shares on September 9, 2014	36,000	—	—	18
Issue of shares on November 24, 2014	331,551	—	—	156
Issue of shares on November 25, 2014	668,449	—	—	315
Issue of shares on December 1, 2014	487,500	—	—	246
Issue of shares on January 16, 2015	18,600	—	—	9
Issue of shares on March 10, 2015	133,603	—	—	64
<b>As at March 31, 2015</b>	31,982,488	25,555,220	—	30,622

On August 12, 2013 shares were issued for employee bonus/ remuneration and contractual arrangements issued at \$3.61 a share based on the mid-market price August 12, 2013.

On September 18, 2013 shares were issued for employee bonus/ remuneration and contractual arrangements issued at \$4.02 a share based on the mid-market price September 18, 2013.

On April 24, 2012, the shareholders approved resolutions effecting certain amendments to the authorized and issued share capital to effect a three-for-one split of the Company's share capital, pursuant to which each ordinary share of the Company was subdivided into 3 shares at a par value of GBP 0.30 per share on November 18, 2013. Immediately prior to our listing on the NYSE, all the outstanding ordinary shares were converted into 18,037,710 'A' ordinary shares and 25,555,220 'B' ordinary shares. 'B' ordinary shares are held by Beech Investments Limited, Olympus Foundation, Arjan Lulla, Kishore Lulla and Vijay Ahuja (collectively, the "Founders Group"). 'B' ordinary shares are entitled to ten votes each and 'A' ordinary shares are entitled to one vote each on all matters upon which the ordinary shares are entitled to vote. All other rights of the A and B ordinary shares are the same.

On November 18, 2013, the Company completed the initial public offering its 'A' ordinary shares on the NYSE, pursuant to which the Company issued and sold 5,000,000 'A' ordinary shares at a price of \$11.00 per share.

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Upon listing the Company issued 299,812 'A' ordinary shares with a fair market value of \$11.00 per share, to satisfy the Share awards given to certain eligible employees, and 181,818 'A' ordinary shares with a fair market value of \$11.00 per share, to satisfy certain contractual arrangements between the Company and a Director.

On July 9, 2014, Eros completed a follow-on offering on the NYSE of 6,787,445 shares at a price of \$14.50 per share, raising \$92.3 million in new capital (net of transaction costs of \$6.1 million). These shares were subsequently issued on July 15, 2014 and July 23, 2014, as stated above.

On September 9, 2014, 36,000 'A' ordinary shares were issued at \$15.97 per share to fulfill an award to certain non-executive Directors.

On September 23, 2014 and November 17, 2014, the Company received \$10,000,000 and \$6,193,000 in respect of a prospective issue of 'A' ordinary shares. 331,551 and 668,449 shares were subsequently issued on November 24, 2014 and November 25, 2014 at \$14.96 and \$18.68 per share. The shareholder was subsequently appointed as a non-executive Director on December 1, 2014.

On June 5, 2014, the Board of Directors approved a grant of 525,000 'A' ordinary share awards with a fair market value of \$14.95 per option, to certain executive directors and members of senior management. These awards vest subject to certain share price conditions being met on or before May 31, 2015 and the employee remaining in service until May 31, 2015. Subsequently on meeting the share price condition, 487,500 of the 525,000 shares were issued on December 1, 2014, subject to condition of the employee remaining in service until May 31, 2015. None of the awards were forfeited during the period.

Effective November 30, 2014, Eros India entered into an employment exit agreement with an employee pursuant to which the Board approved a grant of 18,600 'A' ordinary share awards. The shares were issued on January 16, 2015 and recorded at \$21.53 per share, the closing price at the effective date of the settlement agreement.

On March 10, 2015, the Company received \$1,469,633 in respect of the exercise of 133,603 'A' ordinary share options. These shares were subsequently issued on May 8, 2015.

## 25 SHARE BASED COMPENSATION PLANS

The compensation cost recognized with respect to all outstanding plans and by grant of shares, which are all equity settled instruments, is as follows:

	Year ended March 31		
	2015	2014 (in thousands)	2013
IPO India Plan	\$ 869	\$ 499	\$ 703
JSOP Plan	1,603	1,075	—
Option award scheme 2012	1,824	—	—
2014 Share Plan	264	—	—
2015 Share Plan	60	—	—
Other share option awards	554	—	—
Management scheme (staff share grant)	16,741	16,847	1,185
	<u>\$ 21,915</u>	<u>\$ 18,421</u>	<u>\$ 1,888</u>

### Joint Stock Ownership Plan

In April 2012, the Company established a controlled trust called the Eros International Plc Employee Benefit Trust ("JSOP Trust"). The JSOP Trust purchased 2,000,164 shares of the Company out of funds borrowed from the Company and repayable on demand. The Company's Board, Nomination and Remuneration Committee recommends to the JSOP Trust certain employees, officers and key management personnel, to whom the JSOP Trust will be required to grant shares from its holdings at nominal price. Such shares are then held by the JSOP Trust and the scheme is referred to as the "JSOP Plan." The shares held by the JSOP Trust are reported as a reduction in stockholders' equity and termed as 'JSOP reserves'.

The movement in the shares held by the JSOP Trust is given below:

	Year ended March 31		
	2015	2014	2013
Shares held at the beginning of the period	2,000,164	2,000,164	2,000,164
Shares granted to employees	(80,704)	—	—
Shares held at the end of the period	<u>1,919,460</u>	<u>2,000,164</u>	<u>2,000,164</u>

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**Employee Stock Option Plans**

A summary of the general terms of the grants under stock option plans and stock awards are as follows:

	<b>Range of exercise prices</b>
IPO India Plan	INR10 – 161
IPO Plan – June 2006	GBP 5.28
JSOP Plan	\$ 11.00 - 15.34
Option award scheme 2012	\$ 11.00
2014 Share Plan	\$ 14.97 - 18.50
2015 Share Plan	\$ 14.97 - 19.17
Other share option awards	\$ 18.88

Employees covered under the stock option plans are granted an option to purchase shares of the Company at the respective exercise prices, subject to requirement of vesting conditions (generally service conditions). These options generally vest in tranches over a period of three to five years from the date of grant. Upon vesting, the employees can acquire one share for every option. The maximum contractual term for these stock option plans ranges between two to ten years.

The activity in these stock option plans is summarized below:

	Name of Plan	Year ended March 31					
		2015		2014		2013	
		Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at the beginning of the year	IPO India Plan	1,397,682	INR 120	1,176,568	INR 112	811,861	INR 152
Granted		691,961	10	300,000	150	571,160	74
Exercised		(534,084)	153	(51,850)	98	(184,483)	161
Forfeited and lapsed		(118,159)	147	(27,036)	175	(21,970)	116
Outstanding at the end of the year		1,437,400	INR 52	1,397,682	INR 120	1,176,568	INR 112
Exercisable at the end of the year		413,337	INR 82	646,474	INR 136	312,687	INR 102
Outstanding at the beginning of the year	IPO Plan June 2006	62,438	GBP 5.28	62,438	GBP 5.28	62,438	GBP 5.28
Granted		—	—	—	—	—	—
Exercised		—	—	—	—	—	—
Forfeited and lapsed		—	—	—	—	—	—
Outstanding at the end of the year		62,438	GBP 5.28	62,438	GBP 5.28	62,438	GBP 5.28
Exercisable at the end of the year		62,438	GBP 5.28	62,438	GBP 5.28	62,438	GBP 5.28
Outstanding at the beginning of the year	JSOP Plan	2,000,164	\$ 11.00	2,000,164	\$ 11.00	2,000,164	\$ 11.00
Granted		242,035	15.34	—	—	—	—
Exercised		(80,704)	11.00	—	—	—	—
Forfeited and lapsed		(437,838)	11.00	—	—	—	—
Outstanding at the end of the year		1,723,657	\$ 11.60	2,000,164	\$ 11.00	2,000,164	\$ 11.00
Exercisable at the end of the year		196,642	\$ 11.00	—	—	—	—
Outstanding at the beginning of the year	Option award scheme 2012	—	—	—	—	—	—
Granted		807,648	\$ 11.00	—	—	—	—
Exercised		133,603	11.00	—	—	—	—
Forfeited and lapsed		—	—	—	—	—	—
Outstanding at the end of the year		674,045	\$ 11.00	—	—	—	—
Exercisable at the end of the year		—	—	—	—	—	—

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	Name of Plan	Year ended March 31					
		2015		2014		2013	
		Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at the beginning of the year	2014 Share Plan	—	—	—	—	—	—
Granted		230,000	\$ 16.27	—	—	—	—
Exercised		—	—	—	—	—	—
Forfeited and lapsed		—	—	—	—	—	—
Outstanding at the end of the year		230,000	\$ 16.27	—	—	—	—
Exercisable at the end of the year		—	—	—	—	—	—
Outstanding at the beginning of the year	2015 Share Plan	—	—	—	—	—	—
Granted		200,000	\$ 17.46	—	—	—	—
Exercised		—	—	—	—	—	—
Forfeited and lapsed		—	—	—	—	—	—
Outstanding at the end of the year		200,000	\$ 17.46	—	—	—	—
Exercisable at the end of the year		—	—	—	—	—	—
Outstanding at the beginning of the year	Other share option awards	—	—	—	—	—	—
Granted		500,000	\$ 18.88	—	—	—	—
Exercised		—	—	—	—	—	—
Forfeited and lapsed		—	—	—	—	—	—
Outstanding at the end of the year		500,000	\$ 18.88	—	—	—	—
Exercisable at the end of the year		—	—	—	—	—	—

The following table summarizes information about outstanding stock options:

Name of Plan	Year ended March 31					
	2015		2014		2013	
	Weighted average remaining life (Years)	Weighted average exercise price	Weighted average remaining life (Years)	Weighted average exercise price	Weighted average remaining life (Years)	Weighted average exercise price
IPO India Plan	2.90	INR 52	2.63	INR 120	3.36	INR 109
IPO Plan June 2006	1.00	GBP 5.28	2.00	GBP 5.28	3.00	GBP 5.28
JSOP Plan	7.30	\$ 11.60	8.00	\$ 11.00	9.00	\$ 11.00
Option award scheme 2012	5.50	\$ 11.00	—	—	—	—
2014 Share Plan	6.47	\$ 16.27	—	—	—	—
2015 Share Plan	6.49	\$ 17.46	—	—	—	—
Other share option awards	5.00	\$ 17.98	—	—	—	—

The following table summarizes information about inputs to the fair valuation model for options granted during the year:

	IPO India Plan	JSOP <sup>(4)</sup>	2012 Option award scheme	2014 Share plan	2015 Share plan	Other share option awards
Expected volatility <sup>(1)(2)</sup>	25% - 75%	37%	37%	37% - 40%	40%	37%
Option life (Years)	5.00 - 7.00	4.00	2.75	2.50 - 5.50	4.00 - 10.00	5.00
Dividend yield	0%	0%	0%	0%	0%	0%
Risk free rate	7.74% - 8.50%	0.18% - 3.33%	0.28% - 1.04%	0.27% - 1.70%	0.44% - 1.65%	1.00% - 1.46%
Range of fair value of the granted options at the grant date <sup>(3)</sup>	INR 284 - 380	\$4.53	\$4.98 - 5.43	\$2.94 - 6.59	\$3.61 - 6.21	\$6.37



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- (1) The expected volatility in respect of the IPO India Plan is based on Eros International Media Limited's historic volatility.
- (2) The expected volatility of all other options is based on the historic share price volatility of the Company over time periods comparable to the time from the grant date to the maturity dates of the options.
- (3) The fair value of options under the JSOP Plan was measured using a Monte-Carlo simulation models. Fair value of options granted under all other schemes is measured using a Black Scholes model.
- (4) Options under the JSOP Plan are subject to service and performance conditions as set out in the JSOP deed

**Management Scheme (staff share grant)**

On September 18, 2013, 5,029,935 'A' ordinary shares were issued to our CEO and Managing Director at \$4.02 per share based on the closing market price on such date. These shares are restricted and vest over a period of three years on a pro-rata basis.

On September 9, 2014, 36,000 'A' ordinary shares were issued to certain independent directors at \$15.97 per share based on the closing market price on June 5, 2014.

On October 21, 2014, 116,730 'A' ordinary shares were issued to certain employees at \$17.07 per share based on the closing market price on such date. These shares are restricted and vest over a period of three years on a pro-rata basis.

On June 5, 2014, 525,000 'A' ordinary share awards were granted to certain executive directors and members of senior management at \$14.95 per share based on the closing market price on such date. These share awards vest subject to certain share price conditions being met on or before May 31, 2015 and the employee remaining in service until May 31, 2015. On December 1, 2014, 487,500 of the 525,000 restricted shares were issued. As at March 31, 2015, none of the remaining awards were forfeited.

**26 JOINT SHARE OWNERSHIP RESERVE**

	(in thousands)
<b>Balance at April 1, 2014</b>	<b>\$ (25,505)</b>
Issue out of treasury shares	1,031
<b>Balance at March 31, 2015</b>	<b>\$ (24,474)</b>

The Joint share ownership reserve represents the cost of shares issued by Eros International Plc and held by the JSOP Trust to satisfy the requirements of the Joint Share Ownership Plan (see Note 25). On June 5, 2014, the Board approved discretionary vesting of 20% of the applicable JSOP shares. In November, 2014, 80,704 'A' ordinary shares held by the JSOP Trust were issued to eligible employees.

The number of shares held by the JSOP Trust at March 31, 2015 was 1,919,460 'A' ordinary shares (2014: 2,000,164 Ordinary 'A' shares).

**27 OTHER COMPONENTS OF EQUITY**

	As at March 31 (in thousands)		
	2015	2014	2013
<b>Movement in Hedging reserve:</b>			
Opening balance	\$ (2,787)	\$ (4,020)	\$ (4,020)
Reclassified to profit or loss	804	1,233	—
<b>Closing balance</b>	<b>\$ (1,983)</b>	<b>\$ (2,787)</b>	<b>\$ (4,020)</b>
<b>Movement in revaluation reserve:</b>			
Opening balance	\$ 1,528	\$ 1,528	\$ 233
Gain recognized on revaluation of property, plant and equipment	—	—	1,295
<b>Closing balance</b>	<b>\$ 1,528</b>	<b>\$ 1,528</b>	<b>\$ 1,528</b>
<b>Movement in Available for sale fair value reserve:</b>			
Opening balance	\$ 5,802	\$ 5,802	\$ 5,802
Impairment loss on available-for-sale financial assets	820	—	—
<b>Closing balance</b>	<b>\$ 6,622</b>	<b>\$ 5,802</b>	<b>\$ 5,802</b>
<b>Movement in Foreign Currency Translation Reserves</b>			
Opening balance	\$ (43,858)	\$ (32,742)	\$ (20,534)
Other comprehensive loss due to translation of foreign operations	(6,190)	(11,116)	(12,208)
<b>Closing balance</b>	<b>\$ (50,048)</b>	<b>\$ (43,858)</b>	<b>\$ (32,742)</b>
<b>Total Other Components of Equity</b>	<b>\$ (43,881)</b>	<b>\$ (39,315)</b>	<b>\$ (29,432)</b>

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**28 SIGNIFICANT NON-CASH EXPENSES**

Significant non-cash expenses, except loss on sale of assets, share based compensation, depreciation, derivative interest and amortization were as follows:

	As at March 31		
	2015	2014	2013
	(in thousands)		
Net loss/(gain) on held for trading financial liabilities	\$ 7,801	\$ (5,177)	\$ 5,667
Impairment loss on available-for-sale financial assets	1,307	—	—
Provisions for trade and other receivables	3,963	2,166	427
Impairment loss on content advances	3,431	4,081	2,442
Others	503	788	(2,447)
	<u>\$ 17,005</u>	<u>\$ 1,858</u>	<u>\$ 6,089</u>

**29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Group has established objectives concerning the holding and use of financial instruments. The underlying basis of these objectives is to manage the financial risks faced by the Group.

Formal policies and guidelines have been set to achieve these objectives. The Group does not enter into speculative arrangements or trade in financial instruments and it is the Group's policy not to enter into complex financial instruments unless there are specific identified risks for which such instruments help mitigate uncertainties.

**Management of Capital Risk and Financial Risk**

The Group manages its capital to ensure that entities in the Group 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 capital structure of the Group consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of Eros, comprising issued capital, reserves and retained earnings as disclosed in Notes 20 and 22 and the consolidated statement of changes in equity.

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

	As at March 31	
	2015	2014
	(in thousands)	
Debt (net of debt issuance cost of \$2,940,000 (2014: \$1,716,000))	\$ 314,670	\$ 258,133
Cash and cash equivalents	153,664	145,449
Net debt	161,006	112,684
Equity	756,055	578,041
Net debt to equity ratio	<u>21.3%</u>	<u>19.5%</u>

Debt is defined as long and short-term borrowings (excluding derivatives). Equity includes all capital and reserves of the Group that are managed as capital.

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**Categories of financial instruments**

	2015	2014
	(in thousands)	
<b>Financial assets</b>		
Available-for-sale investments	\$ 29,917	\$ 30,340
Other financial assets <sup>(1)</sup>	363,106	267,634
	<u>\$ 393,023</u>	<u>\$ 297,974</u>
<b>Financial liabilities at amortized cost</b>		
Trade payables excluding value added tax and other tax payables	\$ 26,126	\$ 29,827
Borrowings	314,670	258,133
<b>Financial Liabilities at fair value through profit or loss</b>		
Derivatives at fair value through profit or loss - held for trading	19,284	11,483
	<u>\$ 360,080</u>	<u>\$ 299,443</u>

(1) Other financial assets includes loans and receivables, excluding prepaid charges and statutory receivables, and includes cash and cash equivalents and restricted deposits held with banks.

**Financial risk management objectives**

Based on the operations of the Group throughout the world, Management considers that the key financial risks that it faces are credit risk, currency risk, liquidity risk and interest rate risk. The objectives under each of these risks are as follows:

- credit risk: minimize the risk of default and concentration.
- currency risk: reduce exposure to foreign exchange movements principally between U.S. dollar, Indian Rupee and GBP.
- liquidity risk: ensure adequate funding to support working capital and future capital expenditure requirements.
- interest rate risk: mitigate risk of significant change in market rates on the cash flow of issued variable rate debt.

**Credit Risk**

The Group's credit risk is principally attributable to its trade receivables, advances, financial guarantees and cash balances. As a number of the Group's trading activities require third parties to report revenues due to the Group this risk is not limited to the initial agreed sale or advance amounts. The amounts shown within the statement of financial position in respect of trade receivables and advances are net of allowances for doubtful debts based upon objective evidence that the Group will not be able to collect all amounts due.

Trading credit risk is managed on a country by country basis by the use of credit checks on new clients and individual credit limits, where appropriate, together with regular updates on any changes in the trading partner's situation. In a number of cases trading partners will be required to make advance payments or minimum guarantee payments before delivery of any goods. The Group reviews reports received from third parties and as a matter of course reserve the right within the contracts it enters into to request an independent third party audit of the revenue reporting.

The credit risk on cash balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Group from time to time will have significant concentration of credit risk in relation to individual theatrical releases, television syndication deals or music licenses. This risk is mitigated by contractual terms which seek to stagger receipts and/or the release or airing of content. As at March 31, 2015, 56% (2014: 33%) of trade account receivables were represented by the top five debtors. The maximum exposure to credit risk is that shown within the statement of financial position. The maximum credit exposure on financial guarantees given by the Group for various financial facilities is described in Note 30.

As at March 31, 2015, the Group did not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

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**Currency Risk**

The Group operates throughout the world with significant operations in India, the British Isles, the United States of America and the United Arab Emirates. As a result it faces both translation and transaction currency risks which are principally mitigated by matching foreign currency revenues and costs wherever possible.

The Group's major revenues are denominated in U.S. Dollars, Indian Rupees and British pounds sterling which are matched where possible to its costs so that these act as an automatic hedge against foreign currency exchange movements.

The Group has identified that it will need to utilize hedge transactions to mitigate any risks in movements between the U.S. 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 Group has managed foreign currency exposure to date by seeking to match foreign currency inflows and outflows as much as possible. Details of the foreign currency borrowings that the Group uses to mitigate risk are shown within Interest Risk disclosures.

As at the statement of financial position date there were no outstanding forward foreign exchange contracts. The Group adopts a policy of borrowing where appropriate in the local currency as a hedge against translation risk. The table below shows the Group's net foreign currency monetary assets and liabilities position in the main foreign currencies, translated to USD equivalents, as at the year-end:

	USD	Net Balance	
		GBP	Other
		(in thousands)	
As at March 31, 2015	10,420	(3,763)	238
As at March 31, 2014	906	7,941	216

The above exposure to foreign currency arises where a consolidated entity holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity.

A uniform decrease of 10% in exchange rates against all foreign currencies in position as of March 31, 2015 would have increased in the Company's net income before tax by approximately \$731,000 (2014: \$1,007,000 and 2013: \$1,236,000) on net income. An equal and opposite impact would be experienced in the event of an increase by a similar percentage.

Our sensitivity to foreign currency has decreased during the year ended March 31, 2015 as a result of an increase in assets compared to liabilities denominated in foreign currency over the comparative period. In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**Liquidity Risk**

The Group manages liquidity risk by maintaining adequate reserves and agreed committed banking facilities. Management of working capital takes account of film release dates and payment terms agreed with customers.

An analysis of short-term and long-term borrowings is set out in Note 22. Set out below is a maturity analysis for non-derivative and derivative financial liabilities. The amounts disclosed are based on contractual undiscounted cash flows. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates as at March 31, in each year.

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
As at March 31, 2015					
Borrowing principal payments	\$ 314,670	\$ 96,397	\$ 136,608	\$ 4,867	\$ 76,798
Borrowing interest payments	41,908	9,963	14,928	9,985	7,032
Derivative financial instruments	19,284	—	—	—	19,284
Trade and other payables	29,453	29,453	—	—	—

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	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(in thousands)				
As at March 31, 2014					
Borrowing principal payments	\$ 258,133	\$ 92,879	\$ 158,872	\$ 6,382	\$ —
Borrowing interest payments	22,217	11,054	10,547	616	—
Derivative financial instruments	11,483	—	—	—	11,483
Trade payables	31,611	31,611	—	—	—

At March 31, 2015, the Group had facilities available of \$318,409,000 (2014: \$277,891,000) and had net undrawn amounts of \$800,000 (2014: \$19,757,000) available.

In addition, the Group has issued financial guarantees amounting to \$3,014,000 (2014: \$8,182,000) in the ordinary course of business, having maturity dates normally up to the next 24 months. The Group did not earn any fees to provide such guarantees. It does not anticipate any liability on these guarantees as it expects that most of these will expire unused.

#### Interest Rate Risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed, capped and floating rate borrowings, and by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated to align with interest rate views to ensure the most cost effective hedging strategies are applied.

#### Currency, Maturity and Nature of Interest Rate of the Nominal Value of Borrowings

	As at March 31			
	2015	%	2014	%
	(in thousands, except percentages)			
<b>Currency</b>				
U.S. Dollar	\$ 173,198	55%	\$ 195,238	76%
Great British Pounds Sterling	72,623	23%	—	—
Indian Rupees	68,849	22%	62,895	24%
Total	\$ 314,670	100%	\$ 258,133	100%
<b>Maturity</b>				
Due before one year	\$ 96,397	31%	\$ 92,879	36%
Due between one and three years	136,608	43%	158,872	62%
Due between four and five years	4,867	2%	6,382	2%
Due after five years	76,798	24%	—	—
Total	\$ 314,670	100%	\$ 258,133	100%
<b>Nature of rates</b>				
Fixed interest rate	\$ 124,375	40%	\$ 80,165	31%
Floating rate	190,295	60%	177,968	69%
Total	\$ 314,670	100%	\$ 258,133	100%

During the current year, the interest exposure was managed through an interest cap on \$100 million entered into in 2012. Two written floor contracts each with \$100 million notional value were also entered into in 2012.

The effect of these instruments in combination is that the maximum cash outflow is 6% although the written floors mean that should market rates fall below the floor rate, then the interest charged would be twice the floor rate, although never exceeding 6%. \$100 million of the debt facility is classified as floating interest rate borrowings as at March 31, 2015 and 2014.

The sensitivity analysis assumes a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the statement of financial position date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

At 1% increase in underlying bank rates would lead to decrease in the Company's net income before tax by \$397,000 for the year ended March 31, 2015 (2014: \$645,000) on net income. An equal and opposite impact would be felt if rates fell by 1%.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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Under the interest swap contracts, we have agreed to exchange the difference between fixed and floating rate interest amounts calculated on an agreed notional principal amount. Such contracts enable us to mitigate the risk of changing interest rates on the cash flow of issued variable rate debt.

The fair value of interest rate derivatives which comprise derivatives at fair value through profit and loss is determined as the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

**Financial instruments — disclosure of fair value measurement level**

Disclosures of fair value measurements are grouped into the following levels:

- Level 1 fair value measurements derived from unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 fair value measurements derived from inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 fair value measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The table below presents assets and liabilities measured at fair value on a recurring basis, which are all category level 2:

Description of type of financial assets	As at March 31, 2015 (in thousands)		
	Gross amount of recognized financial assets	Gross amount of recognized financial liabilities offset in the statement of financial position	Net amounts financial assets presented in the statement of financial position
Derivative assets	1,056	(1,056)	—
<b>Total</b>	<b>1,056</b>	<b>(1,056)</b>	<b>—</b>
Description of type of financial liabilities	Gross amount of recognized financial liabilities	Gross amount of recognized financial assets offset in the statement of financial position	Net amounts financial liabilities presented in the statement of financial position
Derivative liabilities	(20,340)	1,056	(19,284)
<b>Total</b>	<b>(20,340)</b>	<b>1,056</b>	<b>(19,284)</b>
Description of type of financial assets	As at March 31, 2014 (in thousands)		
	Gross amount of recognized financial assets	Gross amount of recognized financial liabilities offset in the statement of financial position	Net amounts financial assets presented in the statement of financial position
Derivative assets	1,853	(1,853)	—
<b>Total</b>	<b>1,853</b>	<b>(1,853)</b>	<b>—</b>
Description of type of financial liabilities	Gross amount of recognized financial liabilities	Gross amount of recognized financial assets offset in the statement of financial position	Net amounts financial liabilities presented in the statement of financial position
Derivative liabilities	(13,336)	1,853	(11,483)
<b>Total</b>	<b>(13,336)</b>	<b>1,853</b>	<b>(11,483)</b>

Financial assets and liabilities subject to offsetting enforceable master netting arrangements or similar agreements as at March 31, 2015 are as follows:

	As at March 31, 2015 (in thousands)			
	Average contract rate	Notional principal amount	Fair value of derivative instrument 2015	Fair value of derivative instrument 2014
<b>2012 Interest Rate Cap</b>	6%	100,000	(1,056)	(1,853)
<b>2012 Interest Rate Floor</b>	0.5% - 3%	100,000	10,170	6,668
<b>2012 Interest Rate Collar</b>	0.5% - 3%	100,000	10,170	6,668
<b>Total</b>			<b>\$ 19,284</b>	<b>\$ 11,483</b>

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None of the above derivative instruments is designated in a hedging relationship. A loss of \$7,801,000 (2014: \$5,177,000 gain) in respect of the above derivative instruments has been recognized in the income statement within other losses. Fair value of interest rate derivative involving interest rate options is estimated as the present value of the estimated future cash flows based on observable yield curves using an option pricing model.

Reconciliation of Level 3 fair value measurements of financial assets

	<b>Available for sale of financial assets (in thousands)</b>
<b>At March 31, 2015</b>	\$ 29,917
<b>At March 31, 2014</b>	\$ 30,340

Other losses include an impairment loss on available-for-sale financial assets amounting to \$1,307,000 (2014: \$Nil). The loss includes a fair value decline of \$820,000 (2014: \$Nil) which was previously recognized in other comprehensive income.

There were no transfers between any Levels in any of the years.

### 30 CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Eros' material contractual obligations are comprised of contracts related to content commitments.

	<b>Total (in thousands)</b>
<b>As at March 31, 2015</b>	\$ 260,573
<b>As at March 31, 2014</b>	\$ 180,050

The Group has provided certain stand-by letters of credit amounting to \$96,196,000 (2014: \$99,349,000) which are in the nature of performance guarantees issued while entering into film co-production contracts and are valid until funding obligations under these contracts are met. These guarantees, issued in connection with the aforementioned content commitments, and included in the table above have varying maturity dates and are expected to fall due within a period of one to three years.

In addition, the Group has issued financial guarantees amounting to \$3,014,000 (2014: \$8,182,000) in the ordinary course of business, and included in the table above, having varying maturity dates up to the next 24 months. The Group is only called upon to satisfy a guarantee when the guaranteed party fails to meet its obligations. The Group did not earn any fee to provide such guarantees. It does not anticipate any liability on these guarantees as it expects that most of these will expire unused.

Operating lease commitments are disclosed in Note 21.

### 31 CONTINGENT LIABILITIES

During the year ended March 2015, Eros received two notices from the Commissioner of Service Tax (India) to show cause why an amount aggregating to \$31 million for the period April 1, 2009 to March 31, 2014 should not be levied on and paid on account of service tax arising on temporary transfer of copyright services and certain other related matters. Eros has filed its objections against the notice with the authorities. Subsequently in June 2015, Eros received assessment orders from the Commissioner of Service Tax (India) levying tax as stated above and ordering Eros to pay an additional amount of \$31 million as interest and penalties in connection with the aforesaid matters. Considering the facts and nature of levies and the ad-interim protection for service tax levy for a certain period granted by the Honorable High Court of Mumbai, the Group expects that the final outcome of this matter will be favorable. Accordingly, based on the assessment made after taking appropriate legal advice, no additional liability has been recorded in Group's consolidated financial statements.

During the year ended March 2015, Eros also received several assessment orders and demand notices from value added tax and sales tax authorities in India for the payment of amounts aggregating to \$3 million (including interest and penalties) for certain fiscal years between April 1, 2005 and March 31, 2011. Eros has appealed against each of these orders, and such appeals are pending before relevant tax authorities. Though there uncertainties are inherent in the final outcome of these matters, the Company believes, based on assessment made after taking legal advice, that the final outcome of the matters will be favorable. Accordingly, no additional liability has been recorded in Group's consolidated financial statements.

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

There were no other material ongoing litigations at March 31, 2015 and March 31, 2014.

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**32 RELATED PARTY TRANSACTIONS**

Details of transaction	As at March 31, 2015		As at March 31, 2014	
	(in thousands except in notes below)			
	Liability	Asset	Liability	Asset
Red Bridge Ltd.	\$ 106	\$ —	\$ 27	\$ —
550 County Avenue	261	135	241	135
Line Cross Limited	353	249	—	92
NextGen Films Pvt Ltd.	—	22,677	—	16,823
Everest Entertainment Pvt. Ltd	—	98	—	539
Lulla Family	155	1,130	65	422

Pursuant to a lease agreement that expires on March 31, 2016, Eros International Media Limited leases apartments for studio use at Kailash Plaza, 3rd Floor, Opp. Laxmi Industrial Estate, Andheri (W), Mumbai, from Manjula K. Lulla, the wife of Kishore Lulla. Beginning August 2010, the lease requires Eros International Media Limited to pay \$5,000 each month under this lease. Pursuant to a lease that expires in September 30, 2015, Eros International Media Limited leases for use as executive accommodations the property Aumkar Bungalow, Gandhi Gram Road, Juhu, Mumbai, from Sunil Lulla (see deposits in the table above).

Pursuant to a lease agreement that expires on January 4, 2020, Eros International Media Limited leases office premise for studio use at Supreme Chambers, 5th Floor, Andheri (W), Mumbai from Kishore and Sunil Lulla. Beginning January 2015, the lease requires Eros International Media Limited to pay \$65,000 each month under this lease.

Pursuant to a lease agreement that expired on March 31, 2015, which was subsequently renewed, the Group leased for U.S. corporate offices, the real estate property at 550 County Avenue, Secaucus, New Jersey, from 550 County Avenue Property Corp, a Delaware corporation owned by Beech Investments and of which our President of Americas Operations Ken Naz serves as a Director. The lease commenced on April 1, 2010, and required the Group to pay \$11,000 each month. The lease was renewed on April 1, 2015 for a further period of five years on the same terms.

Pursuant to a lease agreement that expires in March 2018, including renewal periods, the Group leases for U.K. corporate offices, the real property at 13 Manchester Square, London from Linecross Limited, a U.K. company owned indirectly by a discretionary trust of which Kishore Lulla is a potential beneficiary. The current lease commenced on November 19, 2009 and requires the Group to pay \$153,000 each quarter.

Pursuant to an agreement the Group entered into with Redbridge Group Ltd. on June 27, 2006, the Group agreed to pay an annual fee set each year of \$325,000, \$339,000 and \$322,000 in the respective years ended March 31, 2015, 2014 and 2013, for the services of Arjan Lulla, the father of Kishore Lulla and Sunil Lulla, grandfather of Rishika Lulla Singh, uncle of Vijay Ahuja and Surender Sadhwani and an employee of Redbridge Group Ltd. The agreement makes Arjan Lulla honorary life president and provides for services including attendance at Board meetings, entrepreneurial leadership and assistance in setting the Group's strategy. Redbridge Group Ltd. is an entity owned indirectly by a discretionary trust of which Kishore Lulla is a potential beneficiary.

The Group has engaged in transactions with NextGen Films Pvt. Ltd., an entity owned by the husband of Puja Rajani, sister of Kishore Lulla and Sunil Lulla, each of which involved the purchase and sale of film rights. In the year ended March 31, 2015 NextGen Films Pvt. Ltd. sold film rights \$23,550,000 (2014: \$22,205,000, 2013: \$23,613,000) to the Group, and purchased film rights, including production services, of \$275,000 (2014: \$3,923,000 and 2013: \$3,859,000).

The Group also engaged in transactions with Everest Entertainment Pvt. Ltd. entity owned by the brother of Manjula K. Lulla, wife of Kishore Lulla, which is involved in the purchase and sale of film rights. In March 31, 2015, Everest Entertainment Pvt. Ltd. sold film rights of \$408,000 (2014: \$18,000 and 2013: \$16,000) to the Group.

During the year the Group has made charitable donations to the Lulla Foundation of \$Nil (2014: \$Nil, 2013: \$21,000) of which Kishore Lulla is a trustee.

All of the amounts outstanding are unsecured and will be settled in cash.

As at March 31, 2015, the Group has provided performance guarantee to a bank amounting to \$32,500,000 (2014: \$26,306,000) in connection with funding commitments under film co-production agreements with NextGen Films Pvt. Ltd and having varying maturity dates upto the next 24 months. The Group did not earn any fee to provide such guarantees. It does not anticipate any liability on these guarantees as it expects that most of these will expire unused. These amounts are included in content commitments under Note 30 above.



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**33 MAJOR CONSOLIDATED ENTITIES**

	<u>Date</u>	<u>Country of Incorporation</u>	<u>% of voting rights held</u>
Copsale Limited	June 2006	BVI	100.00
Eros Australia Pty Limited	June 2006	Australia	100.00
Eros International Films Pvt. Limited	June 2006	India	100.00
Eros International Limited	June 2006	U.K.	100.00
Eros International Media Limited	June 2006	India	74.40
Eros International USA Inc	June 2006	U.S.	100.00
Eros Music Publishing Limited	June 2006	U.K.	100.00
Eros Network Limited	June 2006	U.K.	100.00
Eros Pacific Limited	June 2006	Fiji	100.00
Eros Worldwide FZ-LLC	June 2006	UAE	100.00
Big Screen Entertainment Pvt. Limited	January 2007	India	64.00
Ayngaran International Limited	October 2007	IOM	51.00
Ayngaran International Media Pvt. Limited	October 2007	India	51.00
Ayngaran International UK Limited	October 2007	U.K.	51.00
EyeQube Studios Pvt. Limited	January 2008	India	99.99
Acacia Investments Holdings Limited	April 2008	IOM	100.00
Ayngaran Anak Media Pvt. Limited	October 2008	India	51.00
Belvedere Holdings Pte. Ltd.	March 2010	Singapore	100.00
Eros International Pte Ltd.	August 2010	Singapore	100.00
Digicine Pte. Limited	March 2012	Singapore	100.00
Colour Yellow Productions Pvt. Limited	May 2014	India	50.00
Eros Digital FZ LLC	February 2015	UAE	100.00
Eros Holdings FZ LLC	February 2015	UAE	100.00

All of the companies were involved with the distribution of film content and associated media. All the companies are indirectly owned with the exception of Eros Network Limited, Eros Worldwide FZ-LLC and Eros International Pte Ltd.

On January 13, 2014, Group shareholdings of Eros International Media Ltd (EIML) reduced to 74.83% by the exercise of ESOP by the employees and subsequent to the exercise of ESOP by the employees in the current year, the Group's shareholding reduced to 74.40%.

In addition to the above the Eros International Plc Employee Benefit Trust, a Jersey based Trust has been consolidated as it is a fully controlled Trust.

**34 NON-CONTROLLING INTERESTS**

*Details of subsidiary that have material non-controlling interests*

The Group has a number of subsidiaries held directly and indirectly which operate and are incorporated around the world. Note 33 to the financial statements lists details of the major consolidated entities and the interests in these subsidiaries. The non-controlling interests that are material to the Group relate to Eros International Media Limited whose principal place of business is in India.

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The table below shows the summarized financial information of Eros International Media Limited where as at March 31, 2015, non-controlling interests held an economic interest by virtue of shareholding of 25.60% (March 2014: 25.17%). This summarized financial information represents amounts before inter-company eliminations.

	<b>Year ended March 31</b>	
	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>	
Current assets	\$ 50,907	\$ 72,910
Non-current assets	276,027	205,489
Current liabilities	104,653	79,102
Non-current liabilities	56,840	50,607
Equity attributable to owners of the Group	123,055	111,265
Equity attributable to non-controlling interests	\$ 42,386	\$ 37,425
Revenue	\$ 177,596	\$ 141,985
Expenses	156,726	123,225
<b>Profit for the year</b>	<b>\$ 20,870</b>	<b>\$ 18,760</b>
Profit attributable to the owners of the Group	\$ 15,523	\$ 14,038
Profit attributable to non-controlling interests	\$ 5,347	\$ 4,722
Other comprehensive income attributable to the owners of the Group	\$ (4,314)	\$ (10,177)
Other comprehensive income attributable to non-controlling interests	(1,486)	(3,423)
<b>Other comprehensive income during the year</b>	<b>\$ (5,800)</b>	<b>\$ (13,600)</b>
Total comprehensive income attributable to the owners of the Group	11,209	3,861
Total comprehensive income attributable to non-controlling interests	3,861	1,299
<b>Total comprehensive income during the year</b>	<b>\$ 15,070</b>	<b>\$ 5,160</b>
Net cash inflow from operating activities	\$ 124,549	\$ 89,986
Net cash outflow from investing activities	(145,465)	(76,055)
Net cash inflow from financing activities	2,169	1,117
<b>Net cash (outflow)/inflow</b>	<b>\$ (18,747)</b>	<b>\$ 15,048</b>

No dividends were paid to non-controlling interests during the year (2014: \$Nil).

### 35 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are evaluated on a regular basis and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the present circumstances.

The Group makes estimates and assumptions concerning the future. These estimates, by definition, will rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are highlighted below:

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**35.1. Goodwill**

The Group tests annually whether goodwill has suffered impairment, in accordance with its accounting policy. The recoverable amount of cash-generating units has been determined based on value in use calculations. These calculations require estimates to be made over revenue growth, margin stability and discount rates which are based on management assumptions however in the event that there is an unforeseen event which materially affects these assumptions it could lead to a write down of goodwill.

**35.2. Basis of Consolidation**

The Group evaluates arrangements with special purpose vehicles in accordance with IFRS 10 – Consolidated Financial Statements to establish how transactions with such entities should be accounted for. This requires a judgment over control such that it is exposed, or has rights, to variable returns and can influence the returns attached to the arrangements.

**35.3. Intangible Assets**

The Group is required to identify and assess the useful life of intangible assets and determine their income generating life. Judgment is required in determining this and then providing an amortization rate to match this life as well as considering the recoverability or conversion of advances made in respect of securing film content or the services of talent associated with film production.

Accounting for the film content requires Management's judgment as it relates to total revenues to be received and costs to be incurred throughout the life of each film or its license period, whichever is the shorter. These judgments are used to determine the amortization of capitalized film content costs. The Group uses a stepped method of amortization on first release film content writing off more in year one which recognizes initial income flows and then the balance over a period of up to nine years. In the case of film content that is acquired by the Group after its initial exploitation, commonly referred to as Library, amortization is spread evenly over the lesser of 10 years or the license period. Management's policy is based upon factors such as historical performance of similar films, the star power of the lead actors and actresses and others. Management regularly reviews, and revises when necessary, its estimates, which may result in a change in the rate of amortization and/or a write down of the asset to the recoverable amount.

The Group tests annually whether intangible assets have suffered any impairment, in accordance with the accounting policy. These calculations require judgments and estimates to be made, and, as with Goodwill, in the event of an unforeseen event these judgments and assumptions would need to be revised and the value of the intangible assets could be affected. There may be instances where the useful life of an asset is shortened to reflect the uncertainty of its estimated income generating life. This is particularly the case when acquiring assets in markets that the Group has not previously exploited.

**35.4. Valuation of Available-for-Sale Financial Assets**

The Group follows the guidance of IAS 39 – Financial Instruments: Recognition and Measurement to determine, where possible, the fair value of its available-for-sale financial assets. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less or more than its cost; the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

**35.5. Income Taxes and Deferred Taxation**

The Group is subject to income taxes in various jurisdictions. Judgment is required in determining the worldwide provision for income taxes. Judgment is required when determining whether the Group should recognize a deferred tax asset, based on whether Management considers there is sufficient certainty in future earnings to justify the carry forward of assets created by tax losses and tax credits. Judgment is also required when determining whether the Group should recognize a deferred tax liability on undistributed earnings of subsidiaries. Where the ultimate outcome is different than that which was initially recorded there will be an impact on the income tax and deferred tax provisions.

**35.6. Share Based Payments**

The Group is required to evaluate the terms to determine whether share based payment is equity settled or cash settled. Judgment is required to do this evaluation. Further, the Group is required to measure the fair value of equity settled transactions with employees at the grant date of the equity instruments. The fair value is determined principally by using the Black Scholes model and/or Monte Carlo Simulation Models which require assumptions regarding interest free rates, share price volatility, the expected life of an employee equity instrument and other variables. The basis and assumptions used in these calculations are disclosed within Note 25.

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**36 ADOPTION OF NEW AND REVISED STANDARDS**

**36.1. Standards, Interpretations and Amendments to Published Standards that are not yet effective**

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for our accounting periods beginning on or after April 1, 2015 or later periods. Those which are considered to be relevant to Group's operations are set out below.

- i. In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). This standard provides a single, principle-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various other related matters. IFRS 15 also introduced new disclosure requirements with respect to revenue.

The five steps in the model under IFRS 15 are : (i) identify the contract with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contracts; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 replaces the following standards and interpretations:

- IAS 11 "Construction Contracts"
- IAS 18 "Revenue"
- IFRIC 13 "Customer Loyalty Programmes"
- IFRIC 15 "Agreements for the Construction of Real Estate"
- IFRIC 18 "Transfers of Assets from Customers"
- SIC-31 "Revenue - Barter Transactions Involving Advertising Services"

When first applying IFRS 15, it should be applied in full for the current period, including retrospective application to all contracts that were not yet complete at the beginning of that period. In respect of prior periods, the transition guidance allows an option to either:

- apply IFRS 15 in full to prior periods (with certain limited practical expedients being available); or
- retain prior period figures as reported under the previous standards, recognizing the cumulative effect of applying IFRS 15 as an adjustment to the opening balance equity as at the date of initial application (beginning of current reporting period).

IFRS 15 is effective for fiscal years beginning on or after January 1, 2017. Earlier application is permitted. The Company is currently evaluating the impact that this new standard will have on its consolidated financial statements.

- ii. In May 2014, the IASB issued two amendments with respect to IAS 16 "Property, Plant and Equipment" ("IAS 16") and IAS 38 "Intangible Assets" ("IAS 38") dealing with acceptable methods of depreciation and amortization.

The amended IAS 16 prohibits entities from using a revenue based depreciation method for items of property, plant and equipment. Further the amendment under IAS 38 introduces a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible assets. However this presumption can only be rebutted in two limited circumstances:

- i) the intangible is expressed as a measure of revenue i.e. when the predominant limiting factor inherent in an intangible asset is the achievement of a contractually specified revenue threshold; or
- ii) it can be demonstrated that revenue and the consumption of economic benefits of the intangible assets are highly correlated. In these circumstances, revenue expected to be generated from the intangible assets can be an appropriate basis for amortization of the intangible asset.

The amendments apply prospectively and are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted. The Company is currently evaluating the impact that this amendment to IAS 16 and IAS38 will have on its consolidated financial statements.

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- iii. In July 2014, the IASB finalized and issued IFRS 9 – Financial Instruments (“IFRS 9”). IFRS 9 replaces IAS 39 “Financial instruments: recognition and measurement, the previous Standard which dealt with the recognition and measurement of financial instruments in its entirety upon the former’s effective date.

Key requirements of IFRS 9:

- i. Replaces IAS 39’s measurement categories with the following three categories:
  - fair value through profit or loss (‘FVTPL’)
  - fair value through other comprehensive income (‘FVTOCI’)
  - amortized cost
- ii. Eliminates the requirement for separation of embedded derivatives from hybrid financial assets, the classification requirements to be applied to the hybrid financial asset in its entirety.
- iii. Requires an entity to present the amount of change in fair value due to change in entity’s own credit risk in other comprehensive income.
- iv. Introduces new impairment model, under which the “expected” credit loss are required to be recognized as compared to the existing “incurred” credit loss model of IAS 39.
- v. Fundamental changes in hedge accounting by introduction of new general hedge accounting model which:
  - Increases the eligibility of hedged item and hedging instruments;
  - Introduces a more principles-based approach to assess hedge effectiveness.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

Earlier application is permitted provided that all the requirements in the Standard are applied at the same time with two exceptions:

- i. The requirement to present changes in the fair value of a liability due to changes in own credit risk may be applied early in isolation;
- ii. Entity may choose as its accounting policy choice to continue to apply hedge accounting requirements of IAS 39 instead of new general hedge accounting model as provided in IFRS 9.

The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

### **37. ACQUISITION OF UNDERTAKING**

On June 9, 2014, our subsidiary undertaking EIML executed a binding term sheet (“Term Sheet”) to acquire a controlling stake in Universal Power Systems Private Limited (“Techzone”), a company involved in mobile value added services that has a billing integration in place with major telecom operators in India. EIML has made an advance of \$2.5 million to Techzone ahead of completion of transaction to provide working capital. Subsequently, EIML has entered into a share purchase agreement (“Share Purchase Agreement”) dated February 24, 2015 with Techzone and its promoters to acquire the entire shareholding of Techzone from its promoters (“Transaction”). The Transaction will conclude upon receipt of applicable regulatory approvals and fulfillment of other closing conditions listed in the Share Purchase Agreement. As at the authorization date of these financial statements, EIML is awaiting applicable regulatory approval before the Transaction can be concluded.

DATED 26th MAY, 2015

EROS INTERNATIONAL PLC

-and-

PREM PARAMESWARAN

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SERVICE AGREEMENT  
PRESIDENT NORTH AMERICA &  
GROUP CHIEF FINANCIAL OFFICER

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**Cains**

One Love Lane  
London

**THIS AGREEMENT is made on 26th May, 2015 with immediate effect**

**BETWEEN:**

- (1) **EROS INTERNATIONAL PLC** of Fort Anne, Douglas, Isle of Man, IM1 5PD (the “**Company**”); and
- (2) **PREM PARAMESWARAN** of [ 3 Sycamore Court, Purchase, New York 10577 (the “**Executive**”).

**IT IS AGREED** as follows:

**1. INTERPRETATION**

1.1 In this agreement the following expressions have the following meanings:

“ <b>Act</b> ”	the Companies Act 2006;
“ <b>Appointment</b> ”	the employment of the Executive by the Company under this agreement;
“ <b>Board</b> ”	the board of directors of the Company from time to time or committee of directors of the Company as may be authorised by the board of directors from time to time;
“ <b>Commencement Date</b> ”	9th June 2015 for all purposes under this agreement;
“ <b>Confidential Information</b> ”	information confidential to the Company and any Group Company including but not limited to Intellectual Property, customer and prospective customer information, film/film producer information (including names, addresses, contact names and addresses, telephone numbers and e-mail addresses) business plans, market research, financial data and forecasts, capital strategy and capital raising activities (proposed and ongoing), business methods, marketing strategies, tenders and price sensitive information, fees, commission structure, feasibility figures and plans relating to contracts (actual and proposed), details of actual and proposed contracts, requirements of customers or prospective customers or film producers, information in respect of which the Company or any Group Company is bound by an obligation of confidence to any third party and information notified to the Executive as being confidential;

<b>“DPA”</b>	means the Data Protection Act 2002;
<b>“Group” or “Group Company”</b>	the Company and any subsidiary or holding company of the Company or any associated company of the Company for the time being or any other subsidiary or associated company of the holding company of the Company for the time being. The terms “subsidiary” and “holding company” shall have the meaning given in section 220 of the Act and “associated company” shall have the meaning defined in section 218 of the Act;
<b>“Intellectual Property”</b>	includes letters patent, trademarks, service marks, copyrights, design rights, applications for registration of any of the foregoing and the right to apply for them in any part of the world, creations, arrangements, devices, inventions or improvements upon or additions to an invention, moral rights, confidential information, know how and rights of a similar nature arising or subsisting anywhere in the world in relation to all of the foregoing whether registered or unregistered;
<b>“Prospective Customer”</b>	any person, firm, company of other organisation who or which was at the Termination Date in negotiations with the Company or any Group Company with a view to dealing with the Company or any Group Company as a customer;
<b>“Recognised Investment Exchange”</b>	has the same meaning as in section 285 of the Financial Services and Markets Act 2000 (an Act of Parliament);
<b>“Relevant Period”</b>	the period of 12 months immediately preceding the earlier of the Termination Date or the date upon which the Executive is placed on garden leave in accordance with clause 3.5;
<b>“Restricted Business”</b>	the business of manufacturing, selling, leasing, renting, distribution, advertising, publicising, marketing or otherwise exploiting home video devices and/or any other business or activity of the Company in which the Executive had any involvement during the course of his duties at any time during the Relevant Period;
<b>“Restricted Employee”</b>	any employee or consultant or director of the Company or any Group Company as at the Termination Date or such other person engaged by any Group Company who had access to Confidential Information and/or with whom the Executive had personal dealings during the Relevant Period;



<b>“Restricted Supplier”</b>	any person, firm or company who at any time during the Relevant Period was a supplier of the Company or any Group Company being a person, firm or company with whom or which the Executive dealt personally on behalf of the Company or any Group Company during the Relevant Period;
<b>“Restricted Territory”</b>	any country in which the Executive conducted Restricted Business on behalf of the Company;
<b>“Review Date”</b>	the anniversary of the date of this agreement;
<b>“Termination date”</b>	the effective date of termination of the Appointment howsoever occurring.

- 1.2 Words denoting the singular include the plural and vice versa and words denoting one gender include both genders.
- 1.3 References to any provisions of any statute shall be deemed to include a reference to all and every statutory amendment, modification, re-enactment and extension and to any regulation or order made under any of them in force on or after the date of this agreement.
- 1.4 Save where otherwise appears, reference to a clause or schedule shall be deemed to be a reference to a clause or schedule of or to this agreement.
- 1.5 Headings to clauses are for the convenience of reference only and shall not affect the meaning or construction of anything contained in this agreement.

## 2. THE APPOINTMENT

- 2.1 Subject to the terms of this agreement, the Company shall employ the Executive and the Executive shall serve as President North America & Group Chief Financial Officer or in such other capacity as the Board may from time to time determine which is acceptable to the Executive.

## 3. TERM OF EMPLOYMENT AND NOTICE

- 3.1 Subject to earlier termination provided for in this agreement, the Appointment shall start on the Commencement Date and shall continue for an initial period of three years and thereafter until terminated by either party giving to the other not less than 12 months' prior written notice of termination.
- 3.2 The Company may at any time in its absolute discretion elect to terminate the Appointment immediately by paying to the Executive, in lieu of any period of notice or any part of it, an amount equivalent to the Executive's basic salary (at the rate then payable under this agreement) for such period or part period including any bonus or benefits in kind.
- 3.3 For statutory purposes, the Executive's period of continuous employment with the Company commenced on 9th June 2015.
- 3.4 The Appointment shall in any event automatically terminate without notice and without any sum payable by the Company, whether by way of compensation or otherwise, upon the Executive's sixty fifth birthday.
- 3.5 The Company shall not be obliged to provide work to the Executive at any time after notice of termination of the Appointment shall have been given by either party under any of the provisions of this agreement and the Company may in its absolute discretion take any one or more of the following steps in respect of all or part of an unexpired period of notice:-
- 3.5.1 require the Executive to comply with such conditions as it may reasonably specify in relation to; (i) attending at or remaining away from the place(s) of business of the Company and/or (ii) contacting or refraining from contacting all or any employees, officers, customers, clients, agents or suppliers of the Company or any Group Company;
  - 3.5.2 perform part of his normal duties only or assign the Executive to duties other than his normal duties provided such duties are commensurate with his status under this agreement;
  - 3.5.3 withdraw any powers vested in, or duties assigned to the Executive; and
  - 3.5.4 require the Executive to resign his directorship of any Group Company;

provided always that during any such period the Company shall continue to pay the Executive's salary and contractual benefits (unless and until this agreement shall be terminated). The Executive shall remain an employee of the Company and shall remain bound by all obligations owed to the Company under this agreement including, but not limited to, his obligations under clause 4.5 of this agreement.

#### 4. POWERS AND DUTIES

##### 4.1 During the Appointment the Executive shall at all times :-

- 4.1.1 exercise the powers and functions and perform the duties reasonably assigned to him from time to time by the Board in such manner as may be reasonably specified;
- 4.1.2 well and faithfully *serve* the Company and use his utmost endeavours to promote and maintain the interests and reputation of the Company and not, so far as is reasonably practicable, allow his interests to conflict with those of the Company or any Group Company (without prejudice to his obligations to disclose any conflicts in accordance with the articles of association of the Company or of any Group Company on whose board she may serve from time to time);
- 4.1.3 render his services (as specified in Schedule A) in a professional and competent manner and in willing co-operation with others;
- 4.1.4 unless prevented by ill-health or other unavoidable cause, *devote* his whole working time, attention and abilities exclusively to carrying out his duties hereunder and such other time as is reasonably necessary for the proper performance of his duties;
- 4.1.5 conform to the reasonable instruction or directions of the Board (or anyone duly authorised by it) and implement and apply the policies of the Company as determined by the Board from time to time; and
- 4.1.6 comply with the rules and procedures of the Company and of any association or professional body to which the Company and/or the Executive may from time to time belong.

4.2 The Executive shall report to the Executive Chairman, or such other person as the Board may from time to time direct, as and when required, and shall at all times keep the Board fully informed of his activities and shall promptly provide such information and explanations as may be requested from time to time by the Board.

4.3 The Executive shall not at any time, without the prior consent of the Executive Chairman of the Board or the Board:

- 4.3.1 incur on behalf of the Company any capital expenditure in excess of such sum as may be authorised from time to time by resolution of the Board;

- 4.3.2 enter into on behalf of the Company any commitment, contract or arrangement which is otherwise than in the normal course of business or is outside the scope of his normal duties or is of any unusually onerous or long term nature;
- 4.3.3 engage any person on terms which vary from those established from time to time by resolution of the Board; or
- 4.3.4 dismiss any employee of the Company without giving proper statutory or (if longer) contractual notice or without following the Company disciplinary procedure and in any case the Executive shall immediately report any dismissal effected by his and the reason for it to the Board.
- 4.4 The Executive shall not at any time during the Appointment directly or indirectly enter into or be concerned in any trade or business or occupation whatsoever other than the business of the Company and the wider Group except with the prior written consent of the Board which may be given subject to any conditions or terms the Board considers appropriate. This clause shall not prevent the Executive from holding up to 5% of any class of shares, debentures or other securities in a company which is listed or dealt in on a Recognised Investment Exchange.
- 4.5 The Executive shall comply with all rules, regulations and codes of practice issued by the Company and the US Listing Authority or SEC as shall from time to time be in force relating to transactions in securities and shall comply with all requirements, recommendations or regulations of any competent regulatory authority including the New York Stock Exchange, the US Listing Authority and/or any other exchange on which securities of the Company (or other company in the Group) are from time to time listed or dealt or any other authority or body authorised to regulate transactions in securities.
- 4.6 The Executive shall not contravene the prohibitions contained in the Insider Dealing Act 1998 or any analogous provisions of law in any relevant jurisdiction.
- 4.7 In this clause the expression "occupation" includes holding political office (at a national, regional or local level) or being involved in other public or private work (whether for profit or otherwise) which, in the reasonable opinion of the Board, may hinder or otherwise interfere with the Executive's ability to perform his duties under this agreement.
5. **PLACE OF WORK AND TRAVEL**
- 5.1 The Executive acknowledges that the Company carries out its operations from its various offices including its registered offices in the Isle of Man, where the Board often meets, as well as the Company's subsidiaries' offices in Mumbai, London, New Jersey and Singapore amongst other locations.

- 5.2 The Executive acknowledges that he will be initially based in the Company's USA office and travel to any of the Company or its subsidiaries' offices as may be necessary for his to carry out the proper performance of his duties.
- 5.3 The Company shall pay for the Executive's reasonable travel including business class travel, accommodation and other incidental expenses as may be incurred whilst the Executive is engaged on Company business and provide the Executive with a corporate credit card.
6. **HOURS OF WORK**
- 6.1 Normal working hours are from 9.00am to 6.00pm Monday to Friday inclusive. The Executive shall attend to the business of the Company during such hours as may be necessary for the proper and efficient performance of his duties under this agreement. The Executive shall not be entitled to receive any additional remuneration for work done outside normal working hours.
7. **REMUNERATION**
- 7.1 The Company shall pay the Executive during the continuation of the Appointment a basic gross annual salary of US \$450,000 (subject to such deductions, if any, for income tax and national insurance as may be required by applicable law). The Executive's basic salary shall accrue from day to day and will be payable in arrears by equal monthly instalments on or about the last working day of each month.
- 7.2 The Executive's basic salary shall be reviewed annually by the Board on the Review Date and may be increased at the Board's entire discretion.
- 7.3 The Executive shall be eligible to participate in such share option scheme applicable to his position as the Company may introduce subject to the rules of the scheme and the Company's discretion.
- 7.4 As an incentive to joining the Company and in consideration of the expertise and benefit to the Company and the Group as a whole in retaining his services, the Executive shall be entitled to restricted stock of 300,000 shares in the Company as detailed and on the terms set out in Schedule B attached to this agreement. The Executive shall be further entitled to stock options of 300,000 additional shares with a 3-year vesting period and with Option Price being the closing price as on the date of grant being 26th May 2015, and under terms and conditions as detailed in the Stock Option Agreement dated 26th May 2015.
- B. **BONUS**
- 8.1 The Executive shall be eligible to participate in any bonus scheme introduced by the Company applicable to his, subject to the rules of the scheme and the Company's discretion. The Company may amend, withdraw or substitute any bonus scheme at any time at its entire discretion. In any event, the bonus will be conditional on certain performance criteria being met by the Executive as well as the Company and as such entirely discretionary.

8.2 Subject to clause 8.1, any bonus in respect of any financial year will be paid to the Executive on the last working day of the month in which the Board meets to consider and determine the bonus provided that the Executive is still employed by the Company and not under notice of termination on the relevant date.

9. **PENSION**

9.1 No Pension Scheme is available to the Executive and the Company is not obliged to contribute to any such scheme that the Executive may be a part of.

10. **REIMBURSEMENT OF BUSINESS EXPENSES**

10.1 The Company shall (on production of receipts or other evidence as it may require) repay or cause to be repaid to the Executive all travelling, hotel, entertainment, and other out-of-pocket expenses from time to time wholly, exclusively and necessarily incurred by his in the proper performance of his employment duties under this agreement.

11. **INSURANCE**

11.1 The Executive shall be eligible for cover under the Company's Private Medical Insurance Scheme ("PMI Scheme") along with his spouse or civil partner and his children and the Company's Permanent Health Scheme ("PHI Scheme").

11.2 The Executive's entitlements under, and eligibility for, any PMI Scheme or PHI Scheme will be subject to, and determined in accordance with, the rules of the respective schemes (as amended from time to time) and will be dependent on the Executive satisfying any requirements for eligibility imposed by the scheme providers and his acceptance at standard rates of premium.

11.3 The provision of these benefits shall be at the Company's discretion. The Company may, on giving the Executive reasonable notice replace, change or withdraw the PMI Scheme and/or the PHI Scheme at any time as it thinks fit. The replacement or change in terms of a scheme may result in the reduction of the Executive's entitlements or the loss or reduction of any benefit the Executive may be receiving or about to receive at the time and the Executive shall have no claim against the Company for any loss arising from such a change.

11.4 It may be (or become) a term of the PMI Scheme and/or PHI Scheme that the Executive must remain employed by the Company to be entitled to benefits under the said schemes. If so, this will not limit the Company's right to terminate the Executive's Appointment on grounds of incapacity to work or any other proper ground. The Executive agrees and acknowledges that if the Appointment is so terminated, she may lose (without recourse to compensation against the Company or any Group Company) existing or prospective benefits under the PMI Scheme and/or PHI Scheme.

11.5 During the continuation of the Appointment, the Company shall, (subject to receipt of a medical report satisfactory to the life insurance company) and in accordance with the terms of the relevant policy from time to time in force, provide the Executive with life assurance which, in the event of his death while in service, shall provide a lump sum to the value of four times his basic salary (at the then annual rate).

11.6 Any benefits provided by the Company to the Executive or his family which are not expressly referred to in this agreement shall be regarded as ex-gratia and at the entire discretion of the Company and shall not form part of the Executive's terms of employment.

## 12. HOLIDAY

12.1 In addition to the usual public holidays in the Isle of Man and England, the Executive shall be entitled to 25 working days' paid holiday for each complete calendar year worked (and pro rata for part of each calendar year worked) to be taken at such time or times as may be approved by the Board in advance. Holiday entitlement shall accrue from day to day.

12.2 Holiday entitlement may not be carried forward to the next calendar year save with the prior written agreement of the Board and no money will be paid in lieu of any such untaken holiday subject to clause 12.4 below.

12.3 In the event that the Company or the Executive gives notice of termination of the Appointment, the Company may require the Executive to take any holidays which have or will have accrued by the Termination Date during the period of notice, in which case the Executive shall not be entitled to any payment in lieu of such holidays.

12.4 On the termination of this agreement the Company shall pay the Executive for any accrued but untaken holiday. If the Executive shall have taken more days' paid holiday than his accrued entitlement as at the Termination Date, the Executive shall repay to the Company the appropriate amount for each day's paid holiday taken in excess of his accrued entitlement. A day's pay shall be 1/260th of his basic salary and fractions of days shall be rounded to the nearest whole day.

## 13. INCAPACITY

13.1 When absent due to sickness or any other reason, the Executive must inform a member of the Board of the cause(s) of his absence as soon as possible on the first working day of absence unless there is a reasonable explanation as to why this is not possible. A self-certification form must be completed to cover up to the first seven days of absence. A doctor's medical certificate must be provided for of absences of eight consecutive days or more due to sickness, injury or incapacity. Certificates must be provided to cover completely any subsequent and consecutive period of absence.

- 13.2 The Company has the right to require the Executive at any time during a period of absence or within 30 days following his return to work thereafter to produce medical evidence covering the said period of absence (save that absences of less than 7 days may be self-certified in accordance with clause 13.1).
- 13.3 If required by the Board, the Executive shall undergo examination by a medical adviser to be appointed or approved by the Board and the Executive hereby authorises such medical adviser to disclose the results of any such examination (including any sensitive personal data as defined in the DPA) to the Board and discuss with it any matters arising from the examination as might impair the Executive in properly discharging his duties under this agreement.
- 13.4 The Company may in its absolute discretion pay to the Executive contractual sick pay for such period not exceeding 90 days in aggregate in any rolling 12 month period at such rate or rates as it thinks fit. Contractual sick pay shall be paid net of Government incapacity benefit which, it is assumed; the Executive will claim and receive at the standard rate. Any discretionary payments made by the Company under this clause 13.4 shall be without prejudice to the Company's right to terminate this agreement on the grounds of incapacity or for other proper cause.
- 13.5 The Company shall be entitled to deduct from any Company sick pay paid to the Executive the amount of any income from any health insurance scheme operated by the Company for the benefit of the Executive, whether or not a claim is made.
- 13.6 If the Executive is incapable of performing his duties by reason of any accident, illness or injury or other incapacity caused wholly or partly by any act or omission of any third party in relation to which the Executive may be or become entitled to recover damages or compensation, then all net payments made to the Executive under this clause in respect of the said absence shall be loans to the Executive to be repaid if and to the extent that he recovers damages or compensation for loss of earnings from the said third party and/or any other person. Where the Executive receives any damages or compensation for loss of earnings, he shall notify the Company in writing forthwith and shall repay the amount due to the Company under this clause within 28 days of receipt of the said damages or compensation.
- 13.7 The Company shall be entitled during any period during which the Executive is absent due to accident, illness or injury or other incapacity to appoint any other person or persons to perform the duties and exercise the powers of the Executive in his place on such terms and conditions as the Company shall see fit. On resuming office all powers are to be vested back in the Executive.
14. **CONFIDENTIALITY**
- 14.1 The Executive acknowledges that during his employment by the Company he will receive and have access to Confidential Information.



- 14.2 All rights, title and interest in and to the Confidential Information shall remain the exclusive property of the Company or, where appropriate, any Group Company and the Executive shall not during the continuance of the Appointment (otherwise than in the proper performance of his duties) or at any time after the Termination Date directly or indirectly use, divulge, export or communicate to any person, firm, company or other organisation any Confidential Information for any purpose whatsoever and shall use his best endeavours to prevent its unauthorised publication, use or disclosure. This obligation shall be in addition to and not in substitution for any express or implied duty of confidentiality owed by the Executive to the Company or any Group Company.
- 14.3 After the Termination Date, the restrictions at clause 14.2 shall not apply in respect of any Confidential Information:
- 14.3.1 in the public domain, otherwise than as a result of any unauthorised act or omission on the part of the Executive; or
- 14.3.2 which the Executive is required by law to disclose, provided that the Executive first notifies the Company in writing that she is required to disclose such Confidential Information

Nothing in this agreement shall prevent the Executive from making a protected disclosure as defined in section 49 of the Employment Act 2006.

## 15. INTELLECTUAL PROPERTY

- 15.1 Should the Executive discover or participate in the making or discovery of Intellectual Property in the course of his employment under this agreement (irrespective of whether he was carrying out his normal duties or other tasks specifically assigned to him) then all such Intellectual Property shall belong to the Company absolutely in accordance with, but subject to, the provisions of the Registered Designs Act 1949 (an Act of Parliament as extended to the Isle of Man), the Patents Act 1977 (an Act of Parliament extended to the Isle of Man) and the Copyright Act 1991 and the Design Rights Act 1991, as applicable.
- 15.2 The Executive will forthwith notify to the Company full details of all Intellectual Property which she may make, discover or in/of which he may participate in the making or discovery during the Appointment whether or not in the course of his employment under this agreement and will keep the Company apprised at all times of the stage that has been reached in relation to any improvement or creation of such Intellectual Property. If the Company requests (and at its expense) the Executive shall give and supply all such information, data, drawings and assistance as may be required to enable the Company to exploit the Intellectual Property to the best advantage.
- 15.3 At the Company's expense but without payment to the Executive, the Executive shall take all steps and carry out all acts that may be necessary to ensure that title to the Intellectual Property is lawfully vested in the Company, including signing all applications and executing any other documents that may be necessary and will carry out such acts and steps with expedition on the instructions of the Company, in particular where the filing of any claims to such Intellectual Property right may give the Company priority.

- 15.4 The Executive hereby irrevocable appoints the Company as his attorney in his name and on his behalf to execute any documents and generally to act and to use his name for the purpose of giving the full benefit of this clause to the Company (or its nominee). A certificate in writing signed by a director or the secretary of the Company that an instrument or act falls within the authority confirmed by this clause shall be conclusive evidence in favour of a third party that that is the case.
- 15.5 The Executive waives all of his moral rights as defined in the Copyright Act 1991 in relation to the Intellectual Property which is the property of the Company by virtue of clause 15.1.
- 15.6 If the Executive makes, discovers or participates in the making or discovery of any Intellectual Property during his Appointment under this agreement but which is not the property of the Company or any Group Company under clause 15.1, the Company shall, subject only to the provisions of the Patents Act 1977 (an Act of Parliament extended to the Isle of Man), have the right to acquire for itself or its nominee the Executive's right in the Intellectual Property within three months after disclosure under clause 15.2 on fair and reasonable terms to be agreed or settled by a single arbitrator appointed jointly by the Company and the Executive or, in default of agreement, nominated by the President of the Isle of Man Law Society for the time being.
- 15.7 The provisions of this clause 15 shall remain in force with regard to any Intellectual Property made or discovered during the Executive's Appointment under this agreement and shall be binding upon his representatives notwithstanding the termination of the Appointment.

## 16. TERMINATION

- 16.1 Notwithstanding the provisions of clause 3.1 above, the Company may terminate the Appointment at any time, immediately without notice and without any obligation to pay any further sums to the Executive whether by way of compensation, damages or otherwise in respect of or in lieu of any notice period or unexpired term of the agreement, and without prejudice to any other rights of the Company if the Executive:
- 16.1.1 commits any repeated or continued material breach, or any serious breach, of his obligations to the Company having first been given a reasonable opportunity to remedy the breach (provided it is capable of remedy) by notification from the Board in writing, but having failed to do so; or
  - 16.1.2 is convicted of any serious criminal offence (other than an offence under road traffic legislation for which imprisonment is not a sanction); or

- 16.1.3 is or becomes incapable by reason of mental disorder within the meaning of the Mental Health Act 1998; or
  - 16.1.4 acts in any manner which in the opinion of the Board brings or is likely to bring his, the Company or any Group Company into material disrepute; or
  - 16.1.5 is guilty of dishonesty, gross misconduct or any other conduct which, in the opinion of the Board is calculated or likely to materially affect prejudicially the interests of any Group Company whether or not such misconduct or other conduct occurs during or in the context of the Appointment; or
  - 16.1.6 resigns as a director of a company other than at the request of the Board; or
  - 16.1.7 is disqualified from being a director of a company by reason of an order made by a competent court or otherwise becomes prohibited by law from being a director of a company; or
  - 16.1.8 is made bankrupt or otherwise enters into any composition or arrangement with or for the benefit of his creditors; or
  - 16.1.9 is convicted of an offence under the Insider Dealing Act 1998 or under any other applicable statutory enactment or regulations relating to insider dealing.
- 16.2 The rights of the Company under clause 16.1 are without prejudice to any other rights it might have under this agreement or at law to terminate the Appointment or to accept any breach of the agreement on the part of the Executive as having brought the agreement to an end. For the avoidance of doubt, where there are no circumstances justifying summary dismissal under clause 16.1, the methods by which the Company may terminate the Appointment are not restricted to the giving of notice in accordance with clauses 3.1 (term of employment) or 16.3 (termination on account of illness or injury) or to the making of a payment in lieu of notice under clause 3.2 (payment in lieu of notice) and accordingly, if the Company terminates the Appointment without giving notice or without making a payment in lieu of notice, any damages to which the Executive may be entitled shall be calculated in accordance with ordinary common law principles including those relating to mitigation of loss and accelerated receipt.
- 16.3 Without prejudice to clauses 16.1 and 3.2, but notwithstanding any other provision of this agreement, if the Executive shall become unable to perform his duties properly by reason of accident, illness or injury for a period or periods aggregating at least 120 days in any period of 12 consecutive calendar months then the Company may, by not less than six months' prior written notice to the Executive given at any time while the Executive is incapacitated by accident, illness or injury from performing his duties under the agreement, terminate the Appointment provided that the Company shall withdraw any such notice if during the currency of the notice the Executive returns to full time duties and provides a medical practitioner's certificate satisfactory to the board to the effect that he has fully recovered his health and that no recurrence of his illness or injury can reasonably be anticipated.

- 16.4 The Company may suspend the Executive on full pay at any time to investigate any allegations of misconduct relating to his and to hold a disciplinary hearing.
- 16.5 Upon termination of the Appointment howsoever caused or, if so requested by the Company, on notice being served by either party on the other to terminate the Appointment the Executive shall:
- 16.5.1 immediately deliver up to the Company any property belonging to the Company or any Group Company and any document, computer disk or other data storage device containing any Confidential Information and shall cease to represent himself as being in any way connected with the Company or any Group Company;
  - 16.5.2 irretrievably delete any information relating to the business of the Company or any Group Company stored on any magnetic or optical disk or memory and all matter derived therefrom which is in his possession, custody, care or control outside the premises of the Company or any Group Company and shall produce such evidence of compliance with this sub-paragraph as the Company may require; and
  - 16.5.3 at the request of the Board, immediately resign any directorship office or appointment held by him in the Company or any Group Company without any claim for compensation or damages for loss of such office or appointment and in the event of his failure to do so within five days of such request the Executive hereby irrevocably appoints the Company as his attorney to execute letters of resignation of such directorship, offices or appointments on his behalf and to take such other steps as are necessary to give effect to such resignations; and
  - 16.5.4 transfer to the Company, or as it may direct all shares held by him in the Company or in any Group Company as nominee or trustee for the Company (except shares granted to his for whatsoever reason during and related to his employment) and deliver to the Company the certificates therefor and the Executive hereby irrevocably appoints the Company as his attorney to execute any such transfer on his behalf.
- 16.6 The termination of the Appointment shall not operate to affect those provisions of this agreement which are intended to have effect after the Termination Date.
17. **POST TERMINATION RESTRICTIONS**
- 17.1 For a period of six months immediately following the Termination Date, the Executive shall not, whether by himself or by any servant or agent or otherwise howsoever, and whether on the Executive's own account or on behalf of or in conjunction with any other person, firm, company or other organisation directly or indirectly;

- 17.1.1 carry on or assist with, be employed by, be engaged by, hold a position with, be concerned in, interested in or control the carrying on of any activity or business which is the same as or competes with the Restricted Business anywhere in any Restricted Territory, (except as the holder of shares in a company whose shares are listed on a Recognised Investment Exchange which confer not more than 5% in total of the votes which could normally be cast at a general meeting of that Company);
  - 17.1.2 in relation to any business which is the same as or in competition with the Restricted Business conduct any business, perform any services for or canvas, solicit or approach or cause to be canvassed or solicited or approached for the purpose of obtaining business, order or custom, or otherwise deal with any person firm, company or other organisation which was a client or customer of the Company or any Group Company at the Termination Date or during the Relevant Period and with whom the Executive had any dealings or of whom the Executive was aware in the course of his employment;
  - 17.1.3 in relation to any business the same as or in competition with the Restricted Business conduct any business, perform any services or supply goods to, canvas, solicit or approach or cause to be canvassed, solicited or approached for the purpose of obtaining business, orders or custom any Prospective Customer with whom the Executive had any dealings in the course of his duties at any time in the Relevant Period.
- 17.2 For a period of 12 months immediately following the Termination Date, the Executive shall not, whether by himself or by any servant or agent or otherwise howsoever, and whether on the Executive's own account or on behalf of or in conjunction with any other person, firm, company or other organisation directly or indirectly:
- 17.2.1 offer employment to or employ or offer to or conclude a contract for services in the Restricted Territory with any Restricted Employee or procure or facilitate the making of such an offer;
  - 17.2.2 seek to entice away from the Company or any Group Company or otherwise solicit or interfere with the relationship between the Company and any Restricted Supplier or any Group Company and any Restricted Supplier.
- 17.3 The Executive shall not at any time after the Termination Date;
- 17.3.1 directly or indirectly anywhere in any Restricted Territory carry on a business either alone or jointly with or as officers, manager, agent, consultant or employee of any person whether similar to any part of the business of the Company or any Group Company (as conducted at any time) or otherwise under a title or name comprising or containing the word "Eros" or any approximation/colourable imitation thereof and he will at all times procure that any company controlled by his will not carry out such business under any such title or name; and

- 17.3.2 say or do anything which is harmful to the reputation or goodwill of the Company or any Group Company or likely to or calculated to lead to any person, firm, company or other organisation withdrawing from or ceasing to continue to offer a Group Company any rights of purchase, sale, import, distribution or agency enjoyed by it;
- 17.3.3 hold himself out falsely as being in anyway connected with any Group Company; and
- 17.3.4 solicit, entice or procure or endeavour to solicit, entice or procure any employee to breach their contract of employment with the Company or any Group Company or any person to breach their contract for services with the Company or any Group Company.
- 17.4 The period of each of the above restrictions shall be reduced by the period, if any, during which the Company exercises its rights under clause 3.5.
- 17.5 The Executive has had an opportunity to consider the restrictions prior to execution of this agreement and agrees that each of the restrictions set out above constitutes severable and independent covenants and restrictions upon his the duration, extent and application of each of which is no greater than is reasonably necessary for the protection of the goodwill and legitimate trade connections of the Restricted Business.
- 17.6 Further, if a restriction in clauses 17.1 to 17.3 of this agreement is found void but would be valid if some part of it were deleted, the restriction shall apply with such deletion as may be necessary to make it valid and effective.
- 17.7 The Executive recognises that, given his role with the Company and within the Group and the Group's structure, the Company has an interest in the business of the Group Companies which it is legitimate for it to protect by the covenants set out above.
- 17.8 The Executive shall show these restrictions to any firm, person, company or other organisation which is the same as or competes with or proposes or is likely to compete with the Restricted Business which offers his employment or a contract for services to his and which she accepts or is minded to accept.
18. **DATA PROTECTION**
- 18.1 The Executive shall at all times during the Appointment adhere to any policy introduced by the Company from time to time to comply with the DPA or equivalent legislation in any other relevant jurisdiction. Breach of this undertaking will constitute a disciplinary offence.

- 18.2 The Executive hereby consents to the Company holding and processing both electronically and manually the personal data it collects which relates to the Executive which is necessary or reasonably required for the proper performance of this agreement, for management, administrative and other employment related purposes (both during and after the Appointment) or for the conduct of the Group's business or to comply with applicable law, rules and regulations (the "Authorised Purposes") and the Executive agrees to provide the Group with all personal data relating to his which is necessary or reasonably required for the Authorised Purposes.
- 18.3 The Executive explicitly consents to the Company or any other Group Company processing his personal data, including his sensitive personal data, where this is necessary or reasonably required to achieve one or more of the Authorised Purposes.
- 18.4 The Executive acknowledges that the Company may, from time to time collect or disclose his personal data (including his sensitive personal data) from and to third parties (including without limitation the Executive's referees, any management consultants or computer maintenance companies engaged by the Company, the Company's professional advisers, other Group Companies, any suppliers of goods or services to the Group and any potential purchasers of the business carried on by the Company and/or the Group). The Executive consents to such collection and disclosure even where this involves the transfer of such data, with appropriate safeguards, outside the European Economic Area where this is necessary or reasonably required to achieve one or more of the Authorised Purposes or is in the interests of the Company and/or its shareholders.
- 18.5 The Company agrees to process any personal data made available to it by the Executive in accordance with the provisions of the DPA.
- 18.6 In this clause "data controller" "personal data" "processing" and "sensitive personal data" shall have the meaning set out in section 1 of the DPA.

19. **GRIEVANCE AND DISCIPLINARY PROCEDURES**

- 19.1 If the Executive has any grievance relating to the Appointment she should raise it with the Executive Chairman either orally or in writing. If she is dissatisfied with that person's decision she should refer the matter in writing to the Board, whose decision shall be final. In the event that the Executive's grievance relates to the Executive Chairman, she should raise it with an independent director of the Board initially, either orally or in writing and then the Board; if she is dissatisfied with the independent director's decision, the Board's decision shall be final.

19.2 Any disciplinary matters relating to the Executive shall be dealt with by the Board and in accordance with the Company's disciplinary procedures in effect from time to time.

20. **CAPACITY**

20.1 The Executive warrants that in entering into this agreement and performing his obligations under it, he will not be in breach of any terms or obligations under any further or other employment or appointment and will not become precluded from entering into this agreement or fulfilling his obligations under it and she will indemnify the Company against any costs, claims or demands against it arising out of any such breach by his.

21. **GENERAL**

21.1 The provisions of this agreement are severable and if any provision is held to be invalid or unenforceable by a court or other body of competent jurisdiction then such invalidity or unenforceability shall not affect the remaining provisions of this agreement.

21.2 The Executive's rights and his obligations towards the Company and the Group shall be governed by this agreement together with such other agreements and understandings as she may enter into from time to time with any other Group Company(ies) notwithstanding that they may be documented separately to this agreement.

21.3 Any communication or notification under this agreement shall be in writing and may be left at or sent by registered or recorded delivery post or by facsimile transmission or other electronic means of written communication to the address detailed at the top of this agreement or to such other address as may be notified by the parties to each other from time to time for the purpose of this clause. Any communication to the Company must be marked "For the attention of the Company Secretary".

21.4 Communications which are sent or dispatched as set out below shall be deemed to have been received as follows:

21.4.1 by physical delivery - upon delivery to the Company's premises or the Executive's notified place of residence (as the case may be) provided that if the delivery is effected after usual business hours, the communication shall be deemed to be received on the next following business day at 09:00 local time;

21.4.2 by post- two business days after dispatch; and

21.4.3 by facsimile transmission or other electronic means of written communication - on the business day next following the day on which the communication was sent.



- 21.5 In proving service by post it shall only be necessary for a party to prove that the communication was in an envelope which was duly addressed, stamped and posted by registered or recorded delivery post.
- 21.6 For the purpose of this clause a "business day" means a day on which the clearing banks in the City of London are open for business. "Close of business" means 18.00 hours local time in London.
- 21.7 This agreement shall be governed by and construed in accordance with the laws of the Isle of Man and each party to this agreement submits to the exclusive jurisdiction of the Isle of Man courts.
- 21.8 Except as expressly provided for above, nothing in this agreement confers on any third party any benefits under the provisions of the Contracts (Rights of Third Parties) Act 2001.
- 21.9 Each party confirms that it has taken all necessary actions and has all requisite power and authority to enter into and perform this agreement.
- 21.10 The Company confirms that execution and delivery by it of this agreement and compliance with its terms shall not breach or constitute a default under the Company's articles of association.
- 21.11 There are no collective agreements which apply to the Executive's employment under this agreement.

**IN WITNESS WHEREOF** the parties hereto have entered into this agreement as a Deed on the day and year first above written.


**EXECUTED as a DEED BY  
EROS INTERNATIONAL PLC**  
acting by

:  
:  
:  
:  
\_\_\_\_\_ (Director)



**EXECUTED and DELIVERED as a  
DEED by  
PREM PARAMESWARAN**  
acting by  
in the presence of this witness:

:  
:  
:  
:  
:  
:  
\_\_\_\_\_

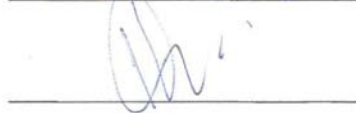


Name of witness:

\_\_\_\_\_ KEN NHZ

Signature of witness:

\_\_\_\_\_



Address:

23 Cameron Road  
Saddle River, NJ 07458

Occupation:

CEO EROS INT. USA INC

## SCHEDULE A

### DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE TO THE BOARD OF THE COMPANY

The Executive will perform the following duties and responsibilities which are meant to be broad guidance and not an exhaustive list of duties and report to the Board on the following matters:

1. The Executive will be responsible for Group Financial Reporting internally and externally to the markets for the Company and its subsidiaries.
2. The Executive will be responsible for financial planning and budgeting, presentation of Annual Budgets for approval to the Board and also report performance against the Budgets to the Board.
3. The Executive will be responsible for devising and implementing capital market strategies for the Company.
4. The Executive will be responsible to meet key analysts and investors, existing and potential, and market the Company to them during Company results presentations and other occasions such as investor conferences.
5. The Executive will be responsible for managing key corporate relationships such as bankers and corporate lenders and other corporate finance responsibilities.
6. The Executive will be responsible for Group Statutory Audits under IFRS, Internal Controls, SOX compliance by the company, implementation of Systems such as SAP and Internal Audit.
7. The Executive will be responsible to ensure that the Company is compliant with all material statutory and regulatory requirements that are applicable to the Company and report to the Board on the same.
8. The Executive will be responsible for recruiting key personnel from time to time as may be necessary to fill new or existing roles to manage the finance function of the Company.
9. The Executive will be the officer that provides and executes the SOX certificate for the Company along with the Group CEO.

**SCHEDULE B**  
**RESTRICTED SHARES**

**DEFINITIONS USED IN THIS SCHEDULE**

- “Bad Leaver”** means, where the Executive resigns from his employment with the Company or his Appointment is otherwise terminated in any of the following circumstances:
- (a) termination or dismissal for cause meaning that the reason therefor falls under any of the grounds in clause 16.1.1 to 16.1.2, 16.1.4 to 16.1.5 and 16.1.7 to 16.1.9 (all inclusive) of this agreement; or
  - (b) where the Executive resigns without being asked to do so by the Company;
- “Good Leaver”** means where the Executive resigns from his employment with the Company or the Appointment is terminated in any of the following circumstances:
- (a) retirement in accordance with clause 3.4 of this agreement or otherwise by agreement with the Board;
  - (b) long-term ill health, disability or serious injury as determined at the discretion of the Board and evidenced to the Board's reasonable satisfaction;
  - (c) redundancy within the meaning of the Redundancy Payments Act 1990; or
  - (d) the Company gives notice of termination without cause meaning in the absence of a reason for which it could terminate the Executive's employment under clause 16.1 of this agreement;
- “Restriction”** means a prohibition on the Executive selling, transferring or creating any encumbrance over the Shares (as defined below) and the term “Restricted” shall be construed accordingly;
- “Subscription Price”** means the nominal or par value of the Shares being £0.30 each.

Terms used but not defined in this schedule shall bear the same meaning as in the body of this agreement.

**Issue**

1. Subject to payment by the Executive of the Subscription Price in cash, the Company shall, within 30 business days of the execution of this agreement, issue to the Executive 300,000 fully paid up shares of the Company (the "Shares") on the issue date.
2. The Shares shall be issued to the Executive free of encumbrances and liens with the benefit of all rights attaching (or which may, in the future, attach) to them under the Company's articles of association including, without limitation, the right to vote and receive any dividends and distributions made, paid or declared thereon after the date of this agreement.

**Restrictions**

3. Upon issue, all Shares shall be Restricted, but subject to paragraph 5 below:
  - 3.1 100,000 Shares shall be released from the Restrictions on the first anniversary of the date of this agreement;
  - 3.2 100,000 Shares shall be released from the Restrictions on the second anniversary of the date of this agreement; and
  - 3.3 100,000 Shares shall be released from the Restrictions on the third anniversary of the date of this agreement.
4. Where Shares cease to be subject to Restrictions in accordance with the preceding paragraph of this Schedule the Executive shall have, for the avoidance of doubt, full and unfettered rights in relation to the same and may freely sell, transfer, charge and otherwise dispose of or deal with them on such terms as he sees fit, where the Executive is responsible for not trading the shares in close period or when in possession of insider information.

**Termination**

5. If the Executive leaves his employment with the Company as a Good Leaver, or if the Company otherwise permits in its absolute discretion, he shall remain entitled to the Shares and the Restrictions attaching thereto (to the extent that they have not already ceased to have effect in accordance with paragraphs 3.1 to 3.3 above) shall be lifted as from the Termination Date.
6. If the Executive leaves or is dismissed from his employment with the Company as a Bad Leaver and/or in any circumstances other than those applying under paragraph 5, the Company shall be entitled to claw back any Shares which remain subject to Restrictions on the relevant date. Provided, in this case, that the Executive shall, immediately upon request, transfer the portion of his Shares that is subject to Restrictions back to the Company or as it may direct and/or co operate with any buy-back of Restricted Shares necessary to give effect to the provisions of this paragraph, he will be entitled to receive in cash within 3 days of the transfer or re-purchase - as the case may be - the Subscription Price of the Shares clawed back or re-purchased, as applicable.
7. The Executive confirms that he shall do all acts and things necessary or incidental for the purposes of giving effect to clause 6 above including, for the avoidance of doubt, providing such authorities and instructions as may be necessary to his broker and/or custodian. Furthermore, in the event of the Executive's default in complying with his obligations in this respect, he hereby irrevocably appoints the Company as his attorney to do all acts and things requisite or incidental for the purposes of giving effect to clause 6 including providing instructions in his name to CREST.

**Exhibit 4.25**

**DATED July 3<sup>rd</sup> 2015 (with effect from 1<sup>st</sup> June 2015)**

**EROS DIGITAL FZ LLC**

**- and -**

**RISHIKA LULLA SINGH**

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**SERVICE AGREEMENT  
CHIEF EXECUTIVE OFFICER – EROS DIGITAL**

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**THIS AGREEMENT is made on 3<sup>RD</sup> July 2015 with effect from 1st June 2015**

**BETWEEN:**

- (1) **EROS DIGITAL FZ LLC** of 1202 B, 12th Floor, Creative Tower, Fujairah Creative City, Free Zone, Media Group, P.O.Box No.4422, Fujairah, UAE (the "**Company**"); and
- (2) **Rishika Lulla Singh** of Flat 84 Chesterfield House, Chesterfield Gardens, London W1J 5JY (the "**Executive**").

**IT IS AGREED** as follows:

**1. INTERPRETATION**

1.1 In this agreement the following expressions have the following meanings:

<b>"Act"</b>	the Companies Act 2006;
<b>"Appointment"</b>	the employment of the Executive by the Company under this agreement;
<b>"Board"</b>	the board of directors of the Company from time to time or committee of directors of the Company as may be authorised by the board of directors from time to time;
<b>"Commencement Date"</b>	1st June 2015 for all purposes under this agreement;
<b>"Confidential Information"</b>	information confidential to the Company and any Group Company including but not limited to Intellectual Property, customer and prospective customer information, film/film producer information (including names, addresses, contact names and addresses, telephone numbers and e-mail addresses) business plans, market research, financial data and forecasts, capital strategy and capital raising activities (proposed and ongoing), business methods, marketing strategies, tenders and price sensitive information, fees, commission structure, feasibility figures and plans relating to contracts (actual and proposed), details of actual and proposed contracts, requirements of customers or prospective customers or film producers, information in respect of which the Company or any Group Company is bound by an obligation of confidence to any third party and information notified to the Executive as being confidential;
<b>"DPA"</b>	means the Data Protection Act 2002;

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<b>“Group” or “Group Company”</b>	the Company and any subsidiary or holding company of the Company or any associated company of the Company for the time being or any other subsidiary or associated company of the holding company of the Company for the time being. The terms “subsidiary” and “holding company” shall have the meaning given in section 220 of the Act and “associated company” shall have the meaning defined in section 218 of the Act;
<b>“Intellectual Property”</b>	includes letters patent, trade marks, service marks, copyrights, design rights, applications for registration of any of the foregoing and the right to apply for them in any part of the world, creations, arrangements, devices, inventions or improvements upon or additions to an invention, moral rights, confidential information, know-how and rights of a similar nature arising or subsisting anywhere in the world in relation to all of the foregoing whether registered or unregistered;
<b>“Prospective Customer”</b>	any person, firm, company of other organisation who or which was at the Termination Date in negotiations with the Company or any Group Company with a view to dealing with the Company or any Group Company as a customer;
<b>“Recognised Investment Exchange”</b>	has the same meaning as in section 285 of the Financial Services and Markets Act 2000 (an Act of Parliament);
<b>“Relevant Period”</b>	the period of 12 months immediately preceding the earlier of the Termination Date or the date upon which the Executive is placed on garden leave in accordance with clause 3.5;
<b>“Restricted Business”</b>	the business of manufacturing, selling, leasing, renting, distribution, advertising, publicising, marketing or otherwise exploiting home video devices and/or any other business or activity of the Company in which the Executive had any involvement during the course of her duties at any time during the Relevant Period;
<b>“Restricted Employee”</b>	any employee or consultant or director of the Company or any Group Company as at the Termination Date or such other person engaged by any Group Company who had access to Confidential Information and/or with whom the Executive had personal dealings during the Relevant Period;

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<b>“Restricted Supplier”</b>	any person, firm or company who at any time during the Relevant Period was a supplier of the Company or any Group Company being a person, firm or company with whom or which the Executive dealt personally on behalf of the Company or any Group Company during the Relevant Period;
<b>“Restricted Territory”</b>	any country in which the Executive conducted Restricted Business on behalf of the Company;
<b>“Review Date”</b>	the anniversary of the date of this agreement;
<b>“Termination date”</b>	the effective date of termination of the Appointment howsoever occurring.

- 1.2 Words denoting the singular include the plural and vice versa and words denoting one gender include both genders.
  - 1.3 References to any provisions of any statute shall be deemed to include a reference to all and every statutory amendment, modification, re-enactment and extension and to any regulation or order made under any of them in force on or after the date of this agreement.
  - 1.4 Save where otherwise appears, reference to a clause or schedule shall be deemed to be a reference to a clause or schedule of or to this agreement.
  - 1.5 Headings to clauses are for the convenience of reference only and shall not affect the meaning or construction of anything contained in this agreement.
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## 2. THE APPOINTMENT

- 2.1 Subject to the terms of this agreement, the Company shall employ the Executive and the Executive shall serve as CEO – Eros Digital and as an executive director on the Board of the Company or in such other capacity as the Board may from time to time determine which is acceptable to the Executive.

## 3. TERM OF EMPLOYMENT AND NOTICE

- 3.1 Subject to earlier termination provided for in this agreement, the Appointment shall start on the Commencement Date and shall continue for an initial period of three years and thereafter until terminated by either party giving to the other not less than 12 months' prior written notice of termination.
- 3.2 The Company may at any time in its absolute discretion elect to terminate the Appointment immediately by paying to the Executive, in lieu of any period of notice or any part of it, an amount equivalent to the Executive's basic salary (at the rate then payable under this agreement) for such period or part period including any bonus or benefits in kind.
- 3.3 For statutory purposes, the Executive's period of continuous employment with the Company commenced on 1st June 2015.
- 3.4 The Appointment shall in any event automatically terminate without notice and without any sum payable by the Company, whether by way of compensation or otherwise, upon the Executive's sixty fifth birthday.
- 3.5 The Company shall not be obliged to provide work to the Executive at any time after notice of termination of the Appointment shall have been given by either party under any of the provisions of this agreement and the Company may in its absolute discretion take any one or more of the following steps in respect of all or part of an unexpired period of notice:-
- 3.5.1 require the Executive to comply with such conditions as it may reasonably specify in relation to; (i) attending at or remaining away from the place(s) of business of the Company and/or (ii) contacting or refraining from contacting all or any employees, officers, customers, clients, agents or suppliers of the Company or any Group Company;
  - 3.5.2 perform part of her normal duties only or assign the Executive to duties other than her normal duties provided such duties are commensurate with her status under this agreement;
  - 3.5.3 withdraw any powers vested in, or duties assigned to the Executive; and
  - 3.5.4 require the Executive to resign her directorship of any Group Company;
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provided always that during any such period the Company shall continue to pay the Executive's salary and contractual benefits (unless and until this agreement shall be terminated). The Executive shall remain an employee of the Company and shall remain bound by all obligations owed to the Company under this agreement including, but not limited to, her obligations under clause 4.5 of this agreement.

#### 4. **POWERS AND DUTIES**

4.1 During the Appointment the Executive shall at all times :-

- 4.1.1 exercise the powers and functions and perform the duties reasonably assigned to her from time to time by the Board in such manner as may be reasonably specified;
- 4.1.2 well and faithfully serve the Company and use her utmost endeavours to promote and maintain the interests and reputation of the Company and not, so far as is reasonably practicable, allow her interests to conflict with those of the Company or any Group Company (without prejudice to her obligations to disclose any conflicts in accordance with the articles of association of the Company or of any Group Company on whose board she may serve from time to time);
- 4.1.3 render her services (as specified in Schedule A) in a professional and competent manner and in willing co-operation with others;
- 4.1.4 unless prevented by ill-health or other unavoidable cause, devote her whole working time, attention and abilities exclusively to carrying out her duties hereunder and such other time as is reasonably necessary for the proper performance of her duties;
- 4.1.5 conform to the reasonable instruction or directions of the Board (or anyone duly authorised by it) and implement and apply the policies of the Company as determined by the Board from time to time; and
- 4.1.6 comply with the rules and procedures of the Company and of any association or professional body to which the Company and/or the Executive may from time to time belong.

4.2 The Executive shall report to the Board, or such other person as the Board may from time to time direct, as and when required, and shall at all times keep the Board fully informed of her activities and shall promptly provide such information and explanations as may be requested from time to time by the Board.

4.3 The Executive shall not at any time, without the prior consent of the Board:

- 4.3.1 incur on behalf of the Company any capital expenditure in excess of such sum as may be authorised from time to time by resolution of the Board;
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- 4.3.2 enter into on behalf of the Company any commitment, contract or arrangement which is otherwise than in the normal course of business or is outside the scope of her normal duties or is of any unusually onerous or long term nature;
- 4.3.3 engage any person on terms which vary from those established from time to time by resolution of the Board; or
- 4.3.4 dismiss any employee of the Company without giving proper statutory or (if longer) contractual notice or without following the Company disciplinary procedure and in any case the Executive shall immediately report any dismissal effected by her and the reason for it to the Board.
- 4.4 The Executive shall not at any time during the Appointment directly or indirectly enter into or be concerned in any trade or business or occupation whatsoever other than the business of the Company and the wider Group except with the prior written consent of the Board which may be given subject to any conditions or terms the Board considers appropriate. This clause shall not prevent the Executive from holding up to 5% of any class of shares, debentures or other securities in a company which is listed or dealt in on a Recognised Investment Exchange.
- 4.5 The Executive shall comply with all rules, regulations and codes of practice issued by the Company and the UK Listing Authority as shall from time to time be in force relating to transactions in securities and shall comply with all requirements, recommendations or regulations of any competent regulatory authority including the London Stock Exchange Plc, the UK Listing Authority and/or any other exchange on which securities of the Company (or other company in the Group) are from time to time listed or dealt or any other authority or body authorised to regulate transactions in securities.
- 4.6 The Executive shall not contravene the prohibitions contained in the Insider Dealing Act 1998 or any analogous provisions of law in any relevant jurisdiction.
- 4.7 In this clause the expression "occupation" includes holding political office (at a national, regional or local level) or being involved in other public or private work (whether for profit or otherwise) which, in the reasonable opinion of the Board, may hinder or otherwise interfere with the Executive's ability to perform her duties under this agreement.
5. **PLACE OF WORK AND TRAVEL**
- 5.1 The Executive acknowledges that the Company carries out its operations from its various offices Dubai, San Francisco, Los Angeles, London, Mumbai, Bangalore, and Singapore amongst other locations.
- 5.2 The Executive acknowledges that she will travel to any of the Company or its subsidiaries' offices as may be necessary for her to carry out the proper performance of her duties.
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5.3 The Company shall pay for the Executive's reasonable travel, accommodation and other incidental expenses as may be incurred whilst the Executive is engaged on Company business. Where applicable, especially to places of travel other than the Company's various offices, the Company may provide the Executive with a per diem allowance in accordance with Company policy in effect from time to time.

## 6. HOURS OF WORK

6.1 Normal working hours are from 9.00am to 5.00pm Monday to Friday inclusive. The Executive shall attend to the business of the Company during such hours as may be necessary for the proper and efficient performance of her duties under this agreement. The Executive shall not be entitled to receive any additional remuneration for work done outside normal working hours.

## 7. REMUNERATION

7.1 The Company shall pay the Executive during the continuation of the Appointment a basic gross annual salary of £100,000 (subject to such deductions, if any, for income tax and national insurance as may be required by applicable law). The Executive's basic salary shall accrue from day to day and will be payable in arrears by equal monthly instalments on or about the last working day of each month and shall be inclusive of any fees receivable by the Executive as a director of the Company.

7.2 The Executive's basic salary shall be reviewed annually by the Board on the Review Date and may be increased at the Board's entire discretion.

7.3 The Executive shall be eligible to participate in such share option scheme applicable to her position as the Company may introduce subject to the rules of the scheme and the Company's discretion.

7.4 As an incentive to joining the Company and in consideration of the expertise and benefit to the Company and the Group as a whole in retaining her services, the Executive shall be entitled to an equity stake equal to 3% of the issued share capital in the Company as detailed and on the terms set out in Schedule B attached to this agreement.

## 8. BONUS

8.1 The Executive shall be eligible to participate in any bonus scheme introduced by the Company applicable to her, subject to the rules of the scheme and the Company's discretion. The Company may amend, withdraw or substitute any bonus scheme at any time at its entire discretion.

8.2 Subject to clause 8.1, any bonus in respect of any financial year will be paid to the Executive on the last working day of the month in which the Board meets to consider and determine the bonus provided that the Executive is still employed by the Company and not under notice of termination on the relevant date.

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- 8.3 Any short term bonus incentive will entitle the Executive to up to a 100% of the Executive's salary by way of cash, subject to the Executive meeting the pre-agreed personal performance targets to the satisfaction of the Board.
- 8.4 Any long term bonus incentive will entitle the Executive to up to a 100% of the Executive's salary by way of stock options or restricted stock or a combination thereof with a minimum 3 year vesting criteria attached to them, subject to the Company meeting pre-agreed performance targets, as agreed in writing with the Board.
- 8.5 For the purpose of clause 8.3 and 8.4, the Executive's salary will be the combined salary drawn by the Executive for her various roles not only with the Company but also any Group Companies and will be calculated on the basis of total compensation across the Group.

9. **PENSION**

- 9.1 The Company shall contribute an annual sum representing between 5% and 10% of the Executive's annual basic salary to the Executive's approved personal pension plan as nominated by the Executive and notified to the Company in writing save that such contributions shall be subject to the maximum annual amount permitted by the Isle of Man Treasury and/or HM Revenue and Customs, as applicable, from time to time.
- 9.2 There is no contracting out certificate in force in respect of the Executive's employment under this agreement.

10. **REIMBURSEMENT OF BUSINESS EXPENSES**

- 10.1 The Company shall (on production of receipts or other evidence as it may require) repay or cause to be repaid to the Executive all travelling, hotel, entertainment, and other out-of-pocket expenses from time to time wholly, exclusively and necessarily incurred by her in the proper performance of her employment duties under this agreement. For the avoidance of doubt, where the Executive is being paid a flat per diem allowance in accordance with Company policy in effect from time to time, she will not have to produce expense vouchers and receipts.
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## 11. **INSURANCE**

- 11.1 The Executive shall be eligible for cover under the Company's Private Medical Insurance Scheme ("PMI Scheme") along with her spouse or civil partner and her children (including dental cover) and the Company's Permanent Health Scheme ("PHI Scheme").
- 11.2 The Executive's entitlements under, and eligibility for, any PMI Scheme or PHI Scheme will be subject to, and determined in accordance with, the rules of the respective schemes (as amended from time to time) and will be dependent on the Executive satisfying any requirements for eligibility imposed by the scheme providers and her acceptance at standard rates of premium.
- 11.3 The provision of these benefits shall be at the Company's discretion. The Company may, on giving the Executive reasonable notice replace, change or withdraw the PMI Scheme and/or the PHI Scheme at any time as it thinks fit. The replacement or change in terms of a scheme may result in the reduction of the Executive's entitlements or the loss or reduction of any benefit the Executive may be receiving or about to receive at the time and the Executive shall have no claim against the Company for any loss arising from such a change.
- 11.4 It may be (or become) a term of the PMI Scheme and/or PHI Scheme that the Executive must remain employed by the Company to be entitled to benefits under the said schemes. If so, this will not limit the Company's right to terminate the Executive's Appointment on grounds of incapacity to work or any other proper ground. The Executive agrees and acknowledges that if the Appointment is so terminated, she may lose (without recourse to compensation against the Company or any Group Company) existing or prospective benefits under the PMI Scheme and/or PHI Scheme.
- 11.5 During the continuation of the Appointment, the Company shall, (subject to receipt of a medical report satisfactory to the life assurance company) and in accordance with the terms of the relevant policy from time to time in force, provide the Executive with life assurance which, in the event of her death while in service, shall provide a lump sum to the value of four times her basic salary (at the then annual rate).
- 11.6 Any benefits provided by the Company to the Executive or her family which are not expressly referred to in this agreement shall be regarded as ex-gratia and at the entire discretion of the Company and shall not form part of the Executive's terms of employment.

## 12. **HOLIDAY**

- 12.1 In addition to the usual public holidays in Dubai, U.A.E, the Executive shall be entitled to 25 working days' paid holiday for each complete calendar year worked (and pro rata for part of each calendar year worked) to be taken at such time or times as may be approved by the Board in advance. Holiday entitlement shall accrue from day to day.
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- 12.2 Holiday entitlement may not be carried forward to the next calendar year save with the prior written agreement of the Board and no money will be paid in lieu of any such untaken holiday subject to clause 12.4 below.
- 12.3 In the event that the Company or the Executive gives notice of termination of the Appointment, the Company may require the Executive to take any holidays which have or will have accrued by the Termination Date during the period of notice, in which case the Executive shall not be entitled to any payment in lieu of such holidays.
- 12.4 On the termination of this agreement the Company shall pay the Executive for any accrued but untaken holiday. If the Executive shall have taken more days' paid holiday than her accrued entitlement as at the Termination Date, the Executive shall repay to the Company the appropriate amount for each day's paid holiday taken in excess of her accrued entitlement. A day's pay shall be 1/260th of her basic salary and fractions of days shall be rounded to the nearest whole day.
13. **INCAPACITY**
- 13.1 When absent due to sickness or any other reason, the Executive must inform a member of the Board of the cause(s) of her absence as soon as possible on the first working day of absence unless there is a reasonable explanation as to why this is not possible. A self-certification form must be completed to cover up to the first seven days of absence. A doctor's medical certificate must be provided for absences of eight consecutive days or more due to sickness, injury or other incapacity. Certificates must be provided to cover completely any subsequent and consecutive period of absence.
- 13.2 The Company has the right to require the Executive at any time during a period of absence or within 30 days following her return to work thereafter to produce medical evidence covering the said period of absence (save that absences of less than 7 days may be self-certified in accordance with clause 13.1).
- 13.3 If required by the Board, the Executive shall undergo examination by a medical adviser to be appointed or approved by the Board and the Executive hereby authorises such medical adviser to disclose the results of any such examination (including any sensitive personal data as defined in the DPA) to the Board and discuss with it any matters arising from the examination as might impair the Executive in properly discharging her duties under this agreement.
- 13.4 The Company may in its absolute discretion pay to the Executive contractual sick pay for such period not exceeding 90 days in aggregate in any rolling 12 month period at such rate or rates as it thinks fit. Contractual sick pay shall be paid net of Government incapacity benefit which, it is assumed, the Executive will claim and receive at the standard rate. Any discretionary payments made by the Company under this clause 13.4 shall be without prejudice to the Company's right to terminate this agreement on the grounds of incapacity or for other proper cause.
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- 13.5 The Company shall be entitled to deduct from any Company sick pay paid to the Executive the amount of any income from any health insurance scheme operated by the Company for the benefit of the Executive, whether or not a claim is made.
- 13.6 If the Executive is incapable of performing her duties by reason of any accident, illness or injury or other incapacity caused wholly or partly by any act or omission of any third party in relation to which the Executive may be or become entitled to recover damages or compensation, then all net payments made to the Executive under this clause in respect of the said absence shall be loans to the Executive to be repaid if and to the extent that she recovers damages or compensation for loss of earnings from the said third party and/or any other person. Where the Executive receives any damages or compensation for loss of earnings, she shall notify the Company in writing forthwith and shall repay the amount due to the Company under this clause within 28 days of receipt of the said damages or compensation.
- 13.7 The Company shall be entitled during any period during which the Executive is absent due to accident, illness or injury or other incapacity to appoint any other person or persons to perform the duties and exercise the powers of the Executive in her place on such terms and conditions as the Company shall see fit. On resuming office all powers are to be vested back in the Executive.

14. **CONFIDENTIALITY**

- 14.1 The Executive acknowledges that during her employment by the Company she will receive and have access to Confidential Information.
- 14.2 All rights, title and interest in and to the Confidential Information shall remain the exclusive property of the Company or, where appropriate, any Group Company and the Executive shall not during the continuance of the Appointment (otherwise than in the proper performance of her duties) or at any time after the Termination Date directly or indirectly use, divulge, export or communicate to any person, firm, company or other organisation any Confidential Information for any purpose whatsoever and shall use her best endeavours to prevent its unauthorised publication, use or disclosure. This obligation shall be in addition to and not in substitution for any express or implied duty of confidentiality owed by the Executive to the Company or any Group Company.
- 14.3 After the Termination Date, the restrictions at clause 14.2 shall not apply in respect of any Confidential Information:
- 14.3.1 in the public domain, otherwise than as a result of any unauthorised act or omission on the part of the Executive; or
- 14.3.2 which the Executive is required by law to disclose, provided that the Executive first notifies the Company in writing that she is required to disclose such Confidential Information
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Nothing in this agreement shall prevent the Executive from making a protected disclosure as defined in section 49 of the Employment Act 2006.

**15. INTELLECTUAL PROPERTY**

- 15.1 Should the Executive discover or participate in the making or discovery of Intellectual Property in the course of her employment under this agreement (irrespective of whether she was carrying out her normal duties or other tasks specifically assigned to her) then all such Intellectual Property shall belong to the Company absolutely in accordance with, but subject to, the provisions of the Registered Designs Act 1949 (an Act of Parliament as extended to the Isle of Man), the Patents Act 1977 (an Act of Parliament extended to the Isle of Man) and the Copyright Act 1991 and the Design Rights Act 1991, as applicable.
- 15.2 The Executive will forthwith notify to the Company full details of all Intellectual Property which she may make, discover or in/of which she may participate in the making or discovery during the Appointment whether or not in the course of her employment under this agreement and will keep the Company apprised at all times of the stage that has been reached in relation to any improvement or creation of such Intellectual Property. If the Company requests (and at its expense) the Executive shall give and supply all such information, data, drawings and assistance as may be required to enable the Company to exploit the Intellectual Property to the best advantage.
- 15.3 At the Company's expense but without payment to the Executive, the Executive shall take all steps and carry out all acts that may be necessary to ensure that title to the Intellectual Property is lawfully vested in the Company, including signing all applications and executing any other documents that may be necessary and will carry out such acts and steps with expedition on the instructions of the Company, in particular where the filing of any claims to such Intellectual Property right may give the Company priority.
- 15.4 The Executive hereby irrevocable appoints the Company as her attorney in her name and on her behalf to execute any documents and generally to act and to use her name for the purpose of giving the full benefit of this clause to the Company (or its nominee). A certificate in writing signed by a director or the secretary of the Company that an instrument or act falls within the authority confirmed by this clause shall be conclusive evidence in favour of a third party that that is the case.
- 15.5 The Executive waives all of her moral rights as defined in the Copyright Act 1991 in relation to the Intellectual Property which is the property of the Company by virtue of clause 15.1.
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- 15.6 If the Executive makes, discovers or participates in the making or discovery of any Intellectual Property during her Appointment under this agreement but which is not the property of the Company or any Group Company under clause 15.1, the Company shall, subject only to the provisions of the Patents Act 1977 (an Act of Parliament extended to the Isle of Man), have the right to acquire for itself or its nominee the Executive's right in the Intellectual Property within three months after disclosure under clause 15.2 on fair and reasonable terms to be agreed or settled by a single arbitrator appointed jointly by the Company and the Executive or, in default of agreement, nominated by the President of the Isle of Man Law Society for the time being.
- 15.7 The provisions of this clause 15 shall remain in force with regard to any Intellectual Property made or discovered during the Executive's Appointment under this agreement and shall be binding upon her representatives notwithstanding the termination of the Appointment.

16. **TERMINATION**

- 16.1 Notwithstanding the provisions of clause 3.1 above, the Company may terminate the Appointment at any time, immediately without notice and without any obligation to pay any further sums to the Executive whether by way of compensation, damages or otherwise in respect of or in lieu of any notice period or unexpired term of the agreement, and without prejudice to any other rights of the Company if the Executive:
- 16.1.1 commits any repeated or continued material breach, or any serious breach, of her obligations to the Company having first been given a reasonable opportunity to remedy the breach (provided it is capable of remedy) by notification from the Board in writing, but having failed to do so; or
  - 16.1.2 is convicted of any serious criminal offence (other than an offence under road traffic legislation for which imprisonment is not a sanction); or
  - 16.1.3 is or becomes incapable by reason of mental disorder within the meaning of the Mental Health Act 1998; or
  - 16.1.4 acts in any manner which in the opinion of the Board brings or is likely to bring her, the Company or any Group Company into material disrepute; or
  - 16.1.5 is guilty of dishonesty, gross misconduct or any other conduct which, in the opinion of the Board is calculated or likely to materially affect prejudicially the interests of any Group Company whether or not such misconduct or other conduct occurs during or in the context of the Appointment; or
  - 16.1.6 resigns as a director of the Company other than at the request of the Board; or
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- 16.1.7 is disqualified from being a director of a company by reason of an order made by a competent court or otherwise becomes prohibited by law from being a director of a company; or
- 16.1.8 is made bankrupt or otherwise enters into any composition or arrangement with or for the benefit of her creditors; or
- 16.1.9 is convicted of an offence under the Insider Dealing Act 1998 or under any other applicable statutory enactment or regulations relating to insider dealing .
- 16.2 The rights of the Company under clause 16.1 are without prejudice to any other rights it might have under this agreement or at law to terminate the Appointment or to accept any breach of the agreement on the part of the Executive as having brought the agreement to an end. For the avoidance of doubt, where there are no circumstances justifying summary dismissal under clause 16.1, the methods by which the Company may terminate the Appointment are not restricted to the giving of notice in accordance with clauses 3.1 (term of employment) or 16.3 (termination on account of illness or injury) or to the making of a payment in lieu of notice under clause 3.2 (payment in lieu of notice) and accordingly, if the Company terminates the Appointment without giving notice or without making a payment in lieu of notice, any damages to which the Executive may be entitled shall be calculated in accordance with ordinary common law principles including those relating to mitigation of loss and accelerated receipt.
- 16.3 Without prejudice to clauses 16.1 and 3.2, but notwithstanding any other provision of this agreement, if the Executive shall become unable to perform her duties properly by reason of accident, illness or injury for a period or periods aggregating at least 120 days in any period of 12 consecutive calendar months then the Company may, by not less than six months' prior written notice to the Executive given at any time while the Executive is incapacitated by accident, illness or injury from performing her duties under the agreement, terminate the Appointment provided that the Company shall withdraw any such notice if during the currency of the notice the Executive returns to full time duties and provides a medical practitioner's certificate satisfactory to the board to the effect that she has fully recovered her health and that no recurrence of her illness or injury can reasonably be anticipated.
- 16.4 The Company may suspend the Executive on full pay at any time to investigate any allegations of misconduct relating to her and to hold a disciplinary hearing.
- 16.5 Upon termination of the Appointment howsoever caused or, if so requested by the Company, on notice being served by either party on the other to terminate the Appointment the Executive shall:
- 16.5.1 immediately deliver up to the Company any property belonging to the Company or any Group Company and any document, computer disk or other data storage device containing any Confidential Information and shall cease to represent herself as being in any way connected with the Company or any Group Company;
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- 16.5.2 irretrievably delete any information relating to the business of the Company or any Group Company stored on any magnetic or optical disk or memory and all matter derived therefrom which is in her possession, custody, care or control outside the premises of the Company or any Group Company and shall produce such evidence of compliance with this sub-paragraph as the Company may require; and
- 16.5.3 at the request of the Board, immediately resign any directorship office or appointment held by her in the Company or any Group Company without any claim for compensation or damages for loss of such office or appointment and in the event of her failure to do so within five days of such request the Executive hereby irrevocably appoints the Company as her attorney to execute letters of resignation of such directorship, offices or appointments on her behalf and to take such other steps as are necessary to give effect to such resignations; and
- 16.5.4 transfer to the Company, or as it may direct all shares held by her in the Company or in any Group Company as nominee or trustee for the Company (except shares granted to her for whatsoever reason during and related to her employment) and deliver to the Company the certificates therefor and the Executive hereby irrevocably appoints the Company as her attorney to execute any such transfer on her behalf.
- 16.6 The termination of the Appointment shall not operate to affect those provisions of this agreement which are intended to have effect after the Termination Date.
- 17. POST TERMINATION RESTRICTIONS**
- 17.1 For a period of six months immediately following the Termination Date, the Executive shall not, whether by herself or by any servant or agent or otherwise howsoever, and whether on the Executive's own account or on behalf of or in conjunction with any other person, firm, company or other organisation directly or indirectly;
- 17.1.1 carry on or assist with, be employed by, be engaged by, hold a position with, be concerned in, interested in or control the carrying on of any activity or business which is the same as or competes with the Restricted Business anywhere in any Restricted Territory, (except as the holder of shares in a company whose shares are listed on a Recognised Investment Exchange which confer not more than 5% in total of the votes which could normally be cast at a general meeting of that Company);
- 17.1.2 in relation to any business which is the same as or in competition with the Restricted Business conduct any business, perform any services for or canvas, solicit or approach or cause to be canvassed or solicited or approached for the purpose of obtaining business, order or custom, or otherwise deal with any person firm, company or other organisation which was a client or customer of the Company or any Group Company at the Termination Date or during the Relevant Period and with whom the Executive had any dealings or of whom the Executive was aware in the course of her employment;
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- 17.1.3 in relation to any business the same as or in competition with the Restricted Business conduct any business, perform any services or supply goods to, canvas, solicit or approach or cause to be canvassed, solicited or approached for the purpose of obtaining business, orders or custom any Prospective Customer with whom the Executive had any dealings in the course of her duties at any time in the Relevant Period.
- 17.2 For a period of 12 months immediately following the Termination Date, the Executive shall not, whether by herself or by any servant or agent or otherwise howsoever, and whether on the Executive's own account or on behalf of or in conjunction with any other person, firm, company or other organisation directly or indirectly:
- 17.2.1 offer employment to or employ or offer to or conclude a contract for services in the Restricted Territory with any Restricted Employee or procure or facilitate the making of such an offer;
- 17.2.2 seek to entice away from the Company or any Group Company or otherwise solicit or interfere with the relationship between the Company and any Restricted Supplier or any Group Company and any Restricted Supplier.
- 17.3 The Executive shall not at any time after the Termination Date;
- 17.3.1 directly or indirectly anywhere in any Restricted Territory carry on a business either alone or jointly with or as officers, manager, agent, consultant or employee of any person whether similar to any part of the business of the Company or any Group Company (as conducted at any time) or otherwise under a title or name comprising or containing the word "Eros" or any approximation/colourable imitation thereof and she will at all times procure that any company controlled by her will not carry out such business under any such title or name; and
- 17.3.2 say or do anything which is harmful to the reputation or goodwill of the Company or any Group Company or likely to or calculated to lead to any person, firm, company or other organisation withdrawing from or ceasing to continue to offer a Group Company any rights of purchase, sale, import, distribution or agency enjoyed by it;
- 17.3.3 hold herself out falsely as being in anyway connected with any Group Company; and
- 17.3.4 solicit, entice or procure or endeavour to solicit, entice or procure any employee to breach their contract of employment with the Company or any Group Company or any person to breach their contract for services with the Company or any Group Company.
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- 17.4 The period of each of the above restrictions shall be reduced by the period, if any, during which the Company exercises its rights under clause 3.5.
- 17.5 The Executive has had an opportunity to consider the restrictions prior to execution of this agreement and agrees that each of the restrictions set out above constitutes severable and independent covenants and restrictions upon her the duration, extent and application of each of which is no greater than is reasonably necessary for the protection of the goodwill and legitimate trade connections of the Restricted Business.
- 17.6 Further, if a restriction in clauses 17.1 to 17.3 of this agreement is found void but would be valid if some part of it were deleted, the restriction shall apply with such deletion as may be necessary to make it valid and effective.
- 17.7 The Executive recognises that, given her role with the Company and within the Group and the Group's structure, the Company has an interest in the business of the Group Companies which it is legitimate for it to protect by the covenants set out above.
- 17.8 Notwithstanding and without prejudice to the foregoing provisions of this clause 17 it is acknowledged by the Executive that the Company holds the benefit of these covenants on trust for any Group Company as the Company may direct in substantially the same terms as the covenants the Executive has entered into with the Company. Further, if so requested by the Company, the Executive shall enter into separate contracts with a Group Company for performance of additional duties in exchange for separate compensation as agreed with the Group Company which will not interfere or conflict with her duties under this Agreement.
- 17.9 The Executive shall show these restrictions to any firm, person, company or other organisation which is the same as or competes with or proposes or is likely to compete with the Restricted Business which offers her employment or a contract for services to her and which she accepts or is minded to accept.
18. **DATA PROTECTION**
- 18.1 The Executive shall at all times during the Appointment adhere to any policy introduced by the Company from time to time to comply with the DPA or equivalent legislation in any other relevant jurisdiction. Breach of this undertaking will constitute a disciplinary offence.
- 18.2 The Executive hereby consents to the Company holding and processing both electronically and manually the personal data it collects which relates to the Executive which is necessary or reasonably required for the proper performance of this agreement, for management, administrative and other employment related purposes (both during and after the Appointment) or for the conduct of the Group's business or to comply with applicable law, rules and regulations (the "Authorised Purposes") and the Executive agrees to provide the Group with all personal data relating to her which is necessary or reasonably required for the Authorised Purposes.
-

- 18.3 The Executive explicitly consents to the Company or any other Group Company processing her personal data, including her sensitive personal data, where this is necessary or reasonably required to achieve one or more of the Authorised Purposes.
- 18.4 The Executive acknowledges that the Company may, from time to time collect or disclose her personal data (including her sensitive personal data) from and to third parties (including without limitation the Executive's referees, any management consultants or computer maintenance companies engaged by the Company, the Company's professional advisers, other Group Companies, any suppliers of goods or services to the Group and any potential purchasers of the business carried on by the Company and/or the Group). The Executive consents to such collection and disclosure even where this involves the transfer of such data, with appropriate safeguards, outside the European Economic Area where this is necessary or reasonably required to achieve one or more of the Authorised Purposes or is in the interests of the Company and/or its shareholders.
- 18.5 The Company agrees to process any personal data made available to it by the Executive in accordance with the provisions of the DPA.
- 18.6 In this clause "data controller" "personal data" "processing" and "sensitive personal data" shall have the meaning set out in section 1 of the DPA.
- 19. GRIEVANCE AND DISCIPLINARY PROCEDURES**
- 19.1 If the Executive has any grievance relating to the Appointment she should raise it with the Executive Chairman either orally or in writing. If she is dissatisfied with that person's decision she should refer the matter in writing to the Board, whose decision shall be final. In the event that the Executive's grievance relates to the Executive Chairman, she should raise it with an independent director of the Board initially, either orally or in writing and then the Board; if she is dissatisfied with the independent director's decision, the Board's decision shall be final.
- 19.2 Any disciplinary matters relating to the Executive shall be dealt with by the Board and in accordance with the Company's disciplinary procedures in effect from time to time.
- 20. CAPACITY**
- 20.1 The Executive warrants that in entering into this agreement and performing her obligations under it, she will not be in breach of any terms or obligations under any further or other employment or appointment and will not become precluded from entering into this agreement or fulfilling her obligations under it and she will indemnify the Company against any costs, claims or demands against it arising out of any such breach by her.
-



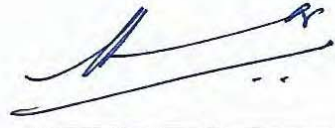
## 21. GENERAL

- 21.1 The provisions of this agreement are severable and if any provision is held to be invalid or unenforceable by a court or other body of competent jurisdiction then such invalidity or unenforceability shall not affect the remaining provisions of this agreement.
- 21.2 The Executive's rights and her obligations towards the Company and the Group shall be governed by this agreement together with such other agreements and understandings as she may enter into from time to time with any other Group Company(ies) notwithstanding that they may be documented separately to this agreement.
- 21.3 Any communication or notification under this agreement shall be in writing and may be left at or sent by registered or recorded delivery post or by facsimile transmission or other electronic means of written communication to the address detailed at the top of this agreement or to such other address as may be notified by the parties to each other from time to time for the purpose of this clause. Any communication to the Company must be marked "For the attention of the Company Secretary".
- 21.4 Communications which are sent or dispatched as set out below shall be deemed to have been received as follows:
- 21.4.1 by physical delivery – upon delivery to the Company's premises or the Executive's notified place of residence (as the case may be) provided that if the delivery is effected after usual business hours, the communication shall be deemed to be received on the next following business day at 09:00 local time;
- 21.4.2 by post – two business days after dispatch; and
- 21.4.3 by facsimile transmission or other electronic means of written communication – on the business day next following the day on which the communication was sent.
- 21.5 In proving service by post it shall only be necessary for a party to prove that the communication was in an envelope which was duly addressed, stamped and posted by registered or recorded delivery post.
- 21.6 For the purpose of this clause a "business day" means a day on which the clearing banks in the City of London are open for business. "Close of business" means 18.00 hours local time in London.
- 21.7 This agreement shall be governed by and construed in accordance with the laws of the Isle of Man and each party to this agreement submits to the exclusive jurisdiction of the Isle of Man courts.
-

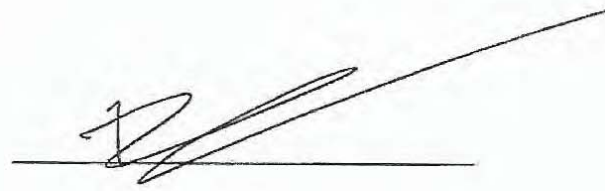
- 21.8 Except as expressly provided for above, nothing in this agreement confers on any third party any benefits under the provisions of the Contracts (Rights of Third Parties) Act 2001.
- 21.9 Each party confirms that it has taken all necessary actions and has all requisite power and authority to enter into and perform this agreement.
- 21.10 The Company confirms that execution and delivery by it of this agreement and compliance with its terms shall not breach or constitute a default under the Company's articles of association.
- 21.11 There are no collective agreements which apply to the Executive's employment under this agreement.

**IN WITNESS WHEREOF** the parties hereto have entered into this agreement as a Deed on the day and year first above written.

**EXECUTED** as a **DEED** BY  
**EROS DIGITAL FZ LLC**  
 acting by *Surender Sadhwani*

  
 \_\_\_\_\_  
 (Director)


**EXECUTED** and **DELIVERED** as a  
**DEED** by  
**RISHIKA LULLA SINGH**  
 acting by  
 in the presence of this witness:

  
 \_\_\_\_\_

Name of witness:

*PIPPA COWARD*

Signature of witness:

  
 \_\_\_\_\_

Address:

*ZISA HARLESDEN RD  
 LONDON, UK, NW10 3SD*

Occupation:

\_\_\_\_\_

## SCHEDULE A

### DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE TO THE BOARD OF THE COMPANY

The Executive will perform the following duties and responsibilities which are meant to be broad guidance and not an exhaustive list of duties and report to the Board on the following matters:

1. The Executive will be responsible for directing and coordinating all the functional heads of ErosNow and as such responsible for overall strategy and operations of ErosNow.
  2. The Executive will be responsible for financial planning and budgeting along with the CFO and present Annual Budgets for approval to the Board and also report performance against the Budgets to the Board.
  3. The Executive will be responsible for driving subscriber growth and advertising growth and increasing the number of registered users to the budgeted target for Eros Now.
  4. The Executive will be responsible to meet key analysts and investors, existing and potential, and market the Company to them during Company results presentations and other occasions such as investor conferences.
  5. The Executive will be responsible for managing key corporate relationships and give them business updates from time to time.
  6. The Executive will be responsible for managing key business relationships such as joint venture partners and collaborations including help strategize and structure such a deal as well as implement and maintain the ongoing relationship at the various levels as required.
  7. The Executive will be responsible to ensure that the Company is compliant with all material statutory and regulatory requirements that are applicable to the Company and report to the Board on the same.
  8. The Executive will be responsible for recruiting key personnel from time to time as may be necessary to fill new or existing roles to manage growth of the Company.
  9. The Executive will report to the Board on the changing competitive environment and the Company's performance in relation to the same from time to time.
-

**SCHEDULE B**  
**EQUITY STAKE**

**DEFINITIONS USED IN THIS SCHEDULE**

- "Bad Leaver"** means, where the Executive resigns from her employment with the Company or her Appointment is otherwise terminated in any of the following circumstances:
- (a) termination or dismissal for cause meaning that the reason therefor falls under any of the grounds in clause 16.1.1 to 16.1.2, 16.1.4 to 16.1.5 and 16.1.7 to 16.1.9 (all inclusive) of this agreement; or
  - (b) where the Executive resigns without being asked to do so by the Company;
- "Good Leaver"** means where the Executive resigns from her employment with the Company or the Appointment is terminated in any of the following circumstances:
- (a) retirement in accordance with clause 3.4 of this agreement or otherwise by agreement with the Board;
  - (b) long-term ill health, disability or serious injury as determined at the discretion of the Board and evidenced to the Board's reasonable satisfaction;
  - (c) redundancy within the meaning of the Redundancy Payments Act 1990; or
  - (d) the Company gives notice of termination without cause meaning in the absence of a reason for which it could terminate the Executive's employment under clause 16.1 of this agreement;
- "Restriction"** means a prohibition on the Executive selling, transferring or creating any encumbrance over the Shares (as defined below) and the term "Restricted" shall be construed accordingly;
- "Subscription Price"** means the nominal or par value of the Shares being **£0.10** each.

Terms used but not defined in this schedule shall bear the same meaning as in the body of this agreement.

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**Issue**

1. Subject to payment by the Executive of the Subscription Price in cash, the Company shall, within 15 days of the execution of this agreement, issue to the Executive such number of new fully paid ordinary shares as corresponds to 3% of the issued share capital of the Company (the "Shares") on the issue date.
2. The Shares shall be issued to the Executive free of encumbrances and liens with the benefit of all rights attaching (or which may, in the future, attach) to them under the Company's articles of association including, without limitation, the right to vote and receive any dividends and distributions made, paid or declared thereon after the date of this agreement.
3. For the avoidance of doubt, the number of Shares to which the Executive is entitled under the terms of this agreement shall be calculated on the basis of the issued share capital of the Company prior to any further public offering and/or the proposed admission to trading of the Company's shares on the NYSE.
4. Within 15 days of the date of this agreement, the Company shall deliver to the Executive:
  - 4.1 a copy of the resolution duly passed by the Board authorising the issue of the Shares to the Executive; and
  - 4.2 a share certificate or proof of issuance of the Shares to the Executive's CREST account.

**Restrictions**

5. Upon issue, all Shares shall be Restricted, but subject to paragraph 7 below:
    - 5.1 33.33% of the Shares shall be released from the Restrictions on the first anniversary of the date of this agreement;
    - 5.2 a further 33.33% of the Shares shall be released from the Restrictions on the second anniversary of the date of this agreement; and
    - 5.3 the remaining Shares shall be released from the Restrictions on the third anniversary of the date of this agreement.
  6. Where Shares cease to be subject to Restrictions in accordance with the preceding paragraph of this Schedule the Executive shall have, for the avoidance of doubt, full and unfettered rights in relation to the same and may freely sell, transfer, charge and otherwise dispose of or deal with them on such terms as she sees fit.
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**Termination**

7. If the Executive leaves her employment with the Company as a Good Leaver, or if the Company otherwise permits in its absolute discretion, she shall remain entitled to the Shares and the Restrictions attaching thereto (to the extent that they have not already ceased to have effect in accordance with paragraphs 5.1 to 5.3 above) shall be lifted as from the Termination Date.
  8. If the Executive leaves or is dismissed from her employment with the Company as a Bad Leaver and/or in any circumstances other than those applying under paragraph 7, the Company shall be entitled to claw back any Shares which remain subject to Restrictions on the relevant date. Provided, in this case, that the Executive shall, immediately upon request, transfer the portion of her Shares that is subject to Restrictions back to the Company or as it may direct and/or co-operate with any buy-back of Restricted Shares necessary to give effect to the provisions of this paragraph, she will be entitled to receive in cash within 3 days of the transfer or re-purchase – as the case may be - the Subscription Price of the Shares clawed back or re-purchased, as applicable.
  9. The Executive confirms that she shall do all acts and things necessary or incidental for the purposes of giving effect to clause 8 above including, for the avoidance of doubt, providing such authorities and instructions as may be necessary to her broker and/or custodian. Furthermore, in the event of the Executive's default in complying with her obligations in this respect, she hereby irrevocably appoints the Company as her attorney to do all acts and things requisite or incidental for the purposes of giving effect to clause 8 including providing instructions in her name to CREST.
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## DIRECTOR AGREEMENT

This Director Agreement (the “**Agreement**”) is made and entered into as of 13th February 2015, by and between Eros International Plc (the “**Company**”), and David Maisel, an individual (the “**Director**”).

### I. SERVICES

1.1 Board of Directors. Director has been appointed as an Independent Director of the Company’s Board of Directors (the “**Board**”), effective on 12th November 2014 (the “**Effective Date**”), until the earlier of the date on which Director ceases to be a member of the Board for any reason or the date of termination of this Agreement in accordance with this Section 5.2 hereof (such date being the “**Expiration Date**”). The Board shall consist of the Director and such other members as nominated and elected pursuant to the then current Articles of Incorporation and By-Laws of the Company (the “**Constitutive Documents**”).

1.2 Director Services. Director’s services to the Company hereunder shall include service on the Board in accordance with applicable law and the then current Constitutive Documents (the “**Director Services**”). The Director shall not serve on any committees of the Board unless otherwise designated by the Chairman of the Board.

### II. COMPENSATION

2.1 Expense Reimbursement. The Company shall reimburse Director for all out-of-pocket travel expenses incurred in connection with the Director Services rendered by Director.

2.2 Fees to Director. The Company agrees to pay Director the following fees for the Director Services: GBP 60,000. In the event Director ceases to serve on the Board for any reason, Director shall be entitled to the pro rata portion of the annual fee for the number of months he has served on the Board in a given year.

2.3 Share Options to Director. The Company agrees to award Director the following share options for the Director Services: 500,000 options in the A ordinary shares of the Company at an exercise price of US\$18.88 per share, such options to vest in tranches of 100,000 shares over five years on the anniversary of the Effective Date commencing on the 12th November 2015 and such vested options will be exercisable immediately but will lapse unless exercised within five years and three months of the Effective Date. In the event Director ceases to serve on the Board for any reason, Director shall not be entitled to the pro rata portion of the share options for the number of months he has served on the Board in a given year except where such termination of services is by the Company and not by the Director in which case the Director will be entitled to accelerated vesting of all remaining unvested share options which will lapse unless exercised within five years and three months of the Effective Date. In the event that there is a sale of shares by Beech Investments Limited or any corporate activity to the extent that Beech loses management control of the Company, then the Director will be entitled to accelerated vesting to be exercised within five years and three months of the Effective Date if he decides to resign from the Board, failing which the share options will stand lapsed.

2.4 Director and Officer Liability Insurance. The Company’s director and officer liability insurance policy shall provide Director with coverage for damages and losses incurred in connection with the Director Services other than for his gross negligence or intentional misconduct.

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### III. DIRECTOR DUTIES

3.1 Fiduciary Duties. Director shall be charged with a fiduciary duty to the Company and all of its shareholders. Director shall be attentive and inform himself of all material facts regarding a decision before taking action. In addition, Director's actions shall be motivated solely by the best interests of the Company and its shareholders.

3.2 Confidentiality. During the term of this Agreement, and for a period of three (3) years after the Expiration Date, Director shall maintain in strict confidence all information he has obtained or shall obtain from the Company which the Company has designated as "confidential" or which is, by its nature confidential; relating to the Company's business, operations, properties, assets, services, condition (financial or otherwise), liabilities, employee relations, customers (including customer usage statistics), suppliers, prospects, technology, or trade secrets, except to the extent such information (i) is in the public domain through no act or omission of the Company, (ii) is required to be disclosed by law or a valid order by a court or other governmental body, or (iii) is independently learned by Director outside of this relationship (the "**Confidential Information**").

3.3 Nondisclosure and Nonuse Obligations. Director will use the Confidential Information solely to perform the Director Services for the benefit of the Company. Director will treat all Confidential Information of the Company with the same degree of care as Director treats his own Confidential Information, and Director will use his best efforts to protect the Confidential Information. Director will not use the Confidential Information for his own benefit or the benefit of any other person or entity. Director will immediately give notice to the Company of any unauthorized use or disclosure by or through him, or of which he becomes aware, of the Confidential Information. Director agrees to assist the Company in remedying any such unauthorized use or disclosure of the Confidential Information.

3.4 Return of the Company Property. All materials furnished to Director by the Company, whether delivered to Director by the Company or made by Director in the performance of Director Services under this Agreement (the "**Company Property**") are the sole and exclusive property of the Company. Director agrees to promptly deliver the original and any copies of the Company Property to the Company at any time upon the Company's request. Upon termination of this Agreement by either party for any reason, Director agrees to promptly deliver to the Company or destroy, at the Company's option, the original and any copies of the Company Property. Director agrees to certify in writing that Director has so returned or destroyed all such the Company Property.

### IV. COVENANTS OF DIRECTOR

4.1 No Conflict of Interest. During the term of this Agreement, Director shall not be employed by, own, manage, control or participate in the ownership, management, operation or control of any business entity that is competitive with the Company or otherwise undertake any obligation inconsistent with the terms hereof, provided that Director may own equity of certain business entity engaging in similar business as that of the Company subject to the prior approval by the Board, and provided further that Director may continue Director's current affiliation or other current relationships with the entity or entities described on Exhibit A (all of which entities are referred to collectively as "**Current Affiliations**"). For a period of one (1) year after the Expiration Date, Director shall not be employed by, operate or manage any business entity that is competitive with the Company. This Agreement is subject to the current terms and agreements governing Director's relationship with Current Affiliations, and nothing in this Agreement is intended to be or will be construed to inhibit or limit any of Director's obligations to Current Affiliations. Director represents that nothing in this Agreement conflicts with Director's obligations to Current Affiliations. A business entity shall be deemed to be "competitive with the Company" for purpose of this Article IV only if and to the extent it engages in the business substantially similar to the Company's online video and mobile video businesses in India.



4.2 Noninterference with Business. During the term of this Agreement, and for a period of one (1) year after the Expiration Date, Director agrees not to interfere with the business of the Company in any manner. By way of example and not of limitation, Director agrees not to solicit or induce any employee, independent contractor, customer or supplier of the Company to terminate or breach his or her employment, contractual or other relationship with the Company.

#### V. TERM AND TERMINATION

5.1 Term. This Agreement is effective on the Effective Date and will continue for five years and three months from the Effective Date.

5.2 Termination. Either party may terminate this Agreement at any time upon thirty (30) days prior written notice to the other party, or such shorter period as the parties may agree upon.

5.3 Survival. The rights and obligations contained in Articles III and IV will survive any termination or expiration of this Agreement.

#### IV. MISCELLANEOUS

6.1 Assignment. Except as expressly permitted by this Agreement, neither party shall assign, delegate, or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

6.2 No Waiver. The failure of any party to insist upon the strict observance and performance of the terms of this Agreement shall not be deemed a waiver of other obligations hereunder, nor shall it be considered a future or continuing waiver of the same terms.

6.3 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below or such other address as either party may specify in writing.

To the Company:

Attn. Oliver Webster  
Assistant Company Secretary  
Eros International Pic  
Fort Anne, Douglas, Isle of Man IM1 5PD  
British Isles

To Director:

7660 Beverly Blvd., Apt. # 401  
Los Angeles, California 90036-2745  
United States of America

6.4 Governing Law. This Agreement shall be governed in all respects by the laws of the United States of America and by the laws of the State of New York, without regard to conflicts of law principles thereof.

6.5 Severability. Should any provisions of this Agreement be held by a court of law to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

6.6 Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The terms of this Agreement will govern all Director Services undertaken by Director for the Company.

6.7 Amendments. This Agreement may only be amended, modified or changed by an agreement signed by the Company and Director. The terms contained herein may not be altered, supplemented or interpreted by any course of dealing or practices.

6.8 Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.9 Dispute Resolution. Any dispute under or related to this Agreement shall be exclusively resolved by the state and/or federal courts located in the United States in the State of New York in the City of New York and each party agrees that jurisdiction in such courts is proper.

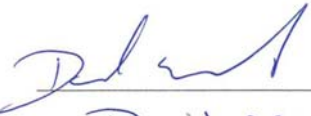
[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

EROS INTERNATIONAL PLC

By:   
Its: Director

DIRECTOR

  
Print: David Maisel

**EXHIBIT A**

**Director's Current Affiliations**

BWCI Pension Trustees Limited as Trustees of the  
Deutsche Bank Group International Pension Plan A/C 1068/103  
Albert House  
South Esplanade  
St Peter Port  
Guernsey  
GY13BY

The Directors  
Eros International Plc  
Fort Anne  
Douglas  
Isle of Man  
IM1 5PD

Date: 17/6/15

Dear Sirs,

**Eros International Plc (the "Company")**

By this letter we hereby irrevocably apply for the issue and allotment to us of up to 300,000 A Ordinary Shares of £0.30 each in the capital of the Company (the "**Subscription Shares**"), at US\$18.00 per share subject to the memorandum and articles of association of the Company.

We hereby undertake to settle the aggregate subscription monies in respect of the Subscription Shares by means of a payment to the Company's bank account.

We acknowledge that the subscription monies must be received into the Company's bank account by close of business on the 30 June 2015 following which this subscription application shall terminate.

We also acknowledge that the Subscription Shares will be subject to a Rule 144 restriction and request that share certificates for the Subscription Shares be issued in multiples of 50,000 shares be issued in the name of BWCI Pension Trustees Limited and forwarded to our above address at the earliest opportunity.

Yours faithfully

/s/ Rajeev Misra  
For and on behalf of  
BWCI Pension Trustees Limited

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## DIRECTOR AGREEMENT

This Director Agreement (the "Agreement") is made and entered into as of 17 June 2015, by and between Eros International Plc (the "Company"), and Rajeev Misra, an individual (the "Director").

### I. SERVICES

1.1 Board of Directors. Director has been appointed as an Independent Director of the Company's Board of Directors (the "**Board**"), effective on 1<sup>st</sup> December 2014 (the "Effective Date"), until the earlier of the date on which Director ceases to be a member of the Board for any reason or the date of termination of this Agreement in accordance with this Section 5.2 hereof (such date being the "Expiration Date"). The Board shall consist of the Director and such other members as nominated and elected pursuant to the then current Articles of Incorporation and By-Laws of the Company (the "Constitutive Documents").

1.2 Director Services. Director's services to the Company hereunder shall include service on the Board in accordance with applicable law and the then current Constitutive Documents (the "Director Services"). The Director shall not serve on any committees of the Board unless otherwise designated by the Chairman of the Board.

### II. COMPENSATION

2.1 Expense Reimbursement. The Company shall reimburse Director for all out-of-pocket travel expenses incurred in connection with the Director Services rendered by Director.

2.2 Share Options to Director. The Company agrees to award Director the following share options for the Director Services: 500,000 options in the A ordinary shares of the Company at an exercise price of US\$18.00 per share, such options to vest in tranches of 100,000 shares over five years on the anniversary of the 9<sup>th</sup> June 2015 (the "**Start Date**") and such vested options will be exercisable immediately but will lapse unless exercised within five years and three months of the Start Date. In the event Director ceases to serve on the Board for any reason, Director shall not be entitled to the pro rata portion of the share options for the number of months he has served on the Board in a given year except where such termination of services is by the Company and not by the Director in which case the Director will be entitled to accelerated vesting of all remaining unvested share options which will lapse unless exercised within five years and three months of the Start Date. In the event that there is a sale of shares by Beech Investments Limited or any corporate activity to the extent that Beech loses management control of the Company, then the Director will be entitled to accelerated vesting to be exercised within five years and three months of the Start Date if he decides to resign from the Board, failing which the share options will stand lapsed.

2.3 Director and Officer Liability Insurance. The Company's director and officer liability insurance policy shall provide Director with coverage for damages and losses incurred in connection with the Director Services other than for his gross negligence or intentional misconduct.

### III. DIRECTOR DUTIES

3.1 Fiduciary Duties. Director shall be charged with a fiduciary duty to the Company and all of its shareholders. Director shall be attentive and inform himself of all material facts regarding a decision before taking action. In addition, Director's actions shall be motivated solely by the best interests of the Company and its shareholders.

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3.2 Confidentiality. During the term of this Agreement, and for a period of three (3) years after the Expiration Date, Director shall maintain in strict confidence all information he has obtained or shall obtain from the Company which the Company has designated as “confidential” or which is, by its nature confidential, relating to the Company’s business, operations, properties, assets, services, condition (financial or otherwise), liabilities, employee relations, customers (including customer usage statistics), suppliers, prospects, technology, or trade secrets, except to the extent such information (i) is in the public domain through no act or omission of the Company, (ii) is required to be disclosed by law or a valid order by a court or other governmental body, or (iii) is independently learned by Director outside of this relationship (the “Confidential Information”).

3.3 Nondisclosure and Nonuse Obligations. Director will use the Confidential Information solely to perform the Director Services for the benefit of the Company. Director will treat all Confidential Information of the Company with the same degree of care as Director treats his own Confidential Information, and Director will use his best efforts to protect the Confidential Information. Director will not use the Confidential Information for his own benefit or the benefit of any other person or entity. Director will immediately give notice to the Company of any unauthorized use or disclosure by or through him, or of which he becomes aware, of the Confidential Information. Director agrees to assist the Company in remedying any such unauthorized use or disclosure of the Confidential Information.

3.4 Return of the Company Property. All materials furnished to Director by the Company, whether delivered to Director by the Company or made by Director in the performance of Director Services under this Agreement (the “**Company Property**”) are the sole and exclusive property of the Company. Director agrees to promptly deliver the original and any copies of the Company Property to the Company at any time upon the Company’s request. Upon termination of this Agreement by either party for any reason, Director agrees to promptly deliver to the Company or destroy, at the Company’s option, the original and any copies of the Company Property. Director agrees to certify in writing that Director has so returned or destroyed all such the Company Property.

#### IV. COVENANTS OF DIRECTOR

4.1 No Conflict of Interest. During the term of this Agreement, Director shall not be employed by, own, manage, control or participate in the ownership, management, operation or control of any business entity that is competitive with the Company or otherwise undertake any obligation inconsistent with the terms hereof, provided that Director may own equity of certain business entity engaging in similar business as that of the Company subject to the prior approval by the Board, and provided further that Director may continue Director’s current affiliation or other current relationships with the entity or entities described on Exhibit A (all of which entities are referred to collectively as “Current Affiliations”). For a period of one (1) year after the Expiration Date, Director shall not be employed by, operate or manage any business entity that is competitive with the Company. This Agreement is subject to the current terms and agreements governing Director’s relationship with Current Affiliations, and nothing in this Agreement is intended to be or will be construed to inhibit or limit any of Director’s obligations to Current Affiliations. Director represents that nothing in this Agreement conflicts with Director’s obligations to Current Affiliations. A business entity shall be deemed to be “competitive with the Company” for purpose of this Article IV only if and to the extent it engages in the business substantially similar to the Company’s online video and mobile video businesses in India.

4.2 Noninterference with Business. During the term of this Agreement, and for a period of one (1) year after the Expiration Date, Director agrees not to interfere with the business of the Company in any manner. By way of example and not of limitation, Director agrees not to solicit or induce any employee, independent contractor, customer or supplier of the Company to terminate or breach his or her employment, contractual or other relationship with the Company.

## V. TERM AND TERMINATION

5.1 Term. This Agreement is effective on the Effective Date and will continue for five years and three months from the Effective Date.

5.2 Termination. Either party may terminate this Agreement at any time upon thirty (30) days prior written notice to the other party, or such shorter period as the parties may agree upon.

5.3 Survival. The rights and obligations contained in Articles III and IV will survive any termination or expiration of this Agreement.

## IV. MISCELLANEOUS

6.1 Assignment. Except as expressly permitted by this Agreement, neither party shall assign, delegate, or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

6.2 No Waiver. The failure of any party to insist upon the strict observance and performance of the terms of this Agreement shall not be deemed a waiver of other obligations hereunder, nor shall it be considered a future or continuing waiver of the same terms.

6.3 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below or such other address as either party may specify in writing.

To the Company:	Attn. Oliver Webster Assistant Company Secretary Eros International Plc Fort Anne, Douglas, Isle of Man IM1 5PD British Isles
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To Director:	93 Hamilton Terrace London United Kingdom NW8 9QY
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6.4 Governing Law. This Agreement shall be governed in all respects by the laws of the United States of America and by the laws of the State of New York, without regard to conflicts of law principles thereof.

6.5 Severability. Should any provisions of this Agreement be held by a court of law to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

6.6 Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The terms of this Agreement will govern all Director Services undertaken by Director for the Company.



6.7 Amendments. This Agreement may only be amended, modified or changed by an agreement signed by the Company and Director. The terms contained herein may not be altered, supplemented or interpreted by any course of dealing or practices.


6.8 Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.9 Dispute Resolution. Any dispute under or related to this Agreement shall be exclusively resolved by the state and/or federal courts located in the United States in the State of New York in the City of New York and each party agrees that jurisdiction in such courts is proper.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

EROS INTERNATIONAL PLC

By:   
Its: Director

DIRECTOR


  
Print: Rajeev Misra

Exhibit 4.28

**Eros International Pic**

**Rules of the Eros International**

**2014 Share Plan**

**Unapproved Option Awards Scheme 2014**

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**INDEX****Rule**

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14. Variation of Share Capital
15. Alteration of Scheme
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18. Miscellaneous

**Schedule**

Option Certificate Form of Acceptance

Notice of Exercise of Option

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## 1. INTERPRETATION

1.1. In this Scheme (unless context otherwise requires) the following words and phrases have the meanings given below):

“Auditors”	the auditors of the Company for the time being;
‘Business Day’	a day on which clearing banks in the United States of America are open for business generally;
‘Committee’	the remuneration Committee of the Company;
‘Company’	Eros International plc (registered in the Isle of Man and whose registered office is at Fort Anne, Douglas, Isle of Man IM1 5PD);
‘Control’	has the meaning ascribed to It In section 840 of the Taxes Act;
‘Date of Grant’	In relation to any Option, the date on which that Option is granted;
‘Directors’	the board of directors of the Company from time to time or a duly constituted Committee thereof;
‘Eligible Participants’	any person who Is an employee, consultant or director of any member of the Group;
‘Exercise Price’	in relation to an Option, the price per Share payable upon the exercise of that Option;
‘Group’	the Company, any holding company holding company of the Company and each and every company which is for the time being a Subsidiary of the Company or such holding company;

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'Option'	right to acquire Shares granted in accordance with and subject to the rules of this Scheme;
'Optionholder'	person who has been granted an Option or, If that person has died, their Personal Representatives;
'Option Tax liability'	in relation to any Optionholder, any liability of the Company or any member of the Group, excluding NIC or similar taxes payable by the Company or any other member of the Group) to account for any amount of income tax, National Insurance Contribution or other tax arising in relation to the grant exercise or otherwise in relation to their Option;
'Ordinary Share capital'	issued share capital of the Company from time to time;
'Personal Representative'	in relation to an Optionholder, the legal personal representatives of the Optionholder (being either the executors of their will to whom a valid grant of probate has been made or the administrators);
'this Scheme'	The Eros International plc 2014 Share Awards Scheme as set out in these rules and amended from time to time;
'Shares'	ordinary shares in issue in the capital of the Company;
'Shareholder'	person who holds one or more Shares;
'Taxes Act'	the relevant taxes act applicable to the Group in respect of this Scheme;
'Value'	in relation to a Share on a given day the prevailing mid market value as shall be determined by the Company Secretary;

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- 1.2. References to an Option vesting or being or becoming vested in respect of any number or proportion of the Shares over which It subsists are to be read as references to the Option becoming capable of being executed either Immediately or, subject to the Optionholder continuing to hold office or employment within the Group, at some future time.
- 1.3. References to Shares in respect of which an Option subsists at any time are to be read and construed as references to the Shares over which the Option Is then held (and in respect of which It has not then lapsed and ceased to be exercisable)
- 1.4. Any references to any enactment shall include any consolidation, modification, extension, amendment or re-enactment and to any subordinate legislation made under It for the time being In force.
- 1.5. Words denoting the masculine gender shall include the feminine.
- 1.6. Words denoting the singular shall include the plural and vice versa.
- 1.7. References to rules are to the rules of this Scheme.

## **2. ELIGIBILITY**

- 2.1. Subject to the following provisions of this rule 2, the Committee shall have absolute discretion as to the selection of persons to whom an Option is granted by the Company.
- 2.2. An Option shall not be granted to any person unless he is an Eligible Participant.
- 2.3. No Option shall be granted to any Eligible Participant within the period of one year ending on the date on which he is to reach the age of 65.

## **3. GRANT OF OPTIONS**

- 3.1. An Option may only be granted:
    - (a) at any time within the period of 42 days beginning with the date on which this Scheme is approved by the Committee; and
    - (b) within a period of 14 days immediately after the person to whom it is granted first becomes an Eligible Participant.
  - 3.2. In the event of the Company being restricted by statute, order or regulation from granting an Option in accordance with rule 3.1, an Option may be granted within 42 days of the removal of such restriction.
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- 3.3. No Option may be granted after the tenth anniversary of the Scheme being approved.
- 3.4. An Option shall be granted by the Company executing as a deed and issuing to the Optionholder an option certificate which contains an undertaking by the Optionholder (duly executed as a deed) to be bound by the rules of this Scheme and which specifies:-
- (a) the Date of Grant;
  - (b) the number of Shares In respect of which the Option Is granted;
  - (c) the Exercise Price;
  - (d) the earliest date on which the Option may be exercised by reason of rule 8.2;
  - (e) that the exercise of the Option Is subject to such performance-related conditions any) as are imposed pursuant to rule 7;
  - (f) that the Optionholder agrees to indemnify the Company or other member of the Group, as the case may be, In respect of any Option Tax Liability and is otherwise in such form as the Committee may from time to time determine.

#### 4. CONTRACTUAL RELATIONSHIP

- 4.1. The grant of an Option does not form part of the Optionholder's entitlement to remuneration or benefits pursuant to any member of the Group nor does any such contract give such person .any right or entitlement to have an Option granted to him in respect of any number of Shares or any expectation that an Option might be granted to him whether subject to any conditions or at all.
- 4.2. The rights and obligations of an Optionholder under the terms of any contract with a member of the Group shall not be affected by the grant of an Option.
- 4.3. The rights granted to an Optionholder upon the grant of an Option shall not afford the Optionholder any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with a member of the Group.
- 4.4. An Optionholder shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being or becoming unable to exercise an Option in consequence of the loss or termination of his office or employment with a member of the Group for any reason (including, without limitation, any breach of contract by an employer) or in any other circumstances whatsoever.
-



## 5. NON-TRANSFERABILITY OF OPTIONS

- 5.1. During his lifetime only the Individual to whom an Option is granted may exercise that Option.
- 5.2. An Option shall immediately cease to be exercisable if:
- (a) It is purported to be transferred or assigned (other than to his Personal Representatives upon the death of the Optionholder), mortgaged, charged or otherwise disposed of by the Optionholder; or
  - (b) the Optionholder is adjudicated bankrupt or a bankruptcy order is made against the Optionholder; or
  - (c) the Optionholder is deprived (otherwise than on death) of the legal or beneficial ownership of the Option by operation of law or by the Optionholder doing or omitting to do anything which causes him to be so deprived.

## 6. EXERCISE PRICE

- 6.1. The Exercise Price shall be determined by the Committee but shall not be less than the greater of the Value of a Share on the Date the Grant was approved or the nominal value of a Share.

## 7. PERFORMANCE-RELATED CONDITIONS OF EXERCISE

- 7.1. Subject to rule 7.4, the exercise of an Option may be conditional upon the performance of the Company and/or the performance of another member of the Group over such period and measured against such objective criterion as shall be determined by the Committee and notified to the Optionholder when the Option is granted.
- 7.2. Any such condition may provide that the Option shall become vested in respect of a given number or proportion of the Shares over which it subsists according to whether, and the extent to which, any given performance target is met or exceeded.
- 7.3. After an Option has been granted the Committee may, in appropriate circumstances, amend any such performance-related condition of exercise of an Option provided that no such amendment shall be made unless such amendment will afford a more effective incentive to the Optionholder and will be no more difficult to satisfy than were the original conditions when first set.
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- 7.4. If, in consequence of a performance-related condition being met, an Option becomes vested in respect of some but not all of the number of Shares over which it subsists, it shall thereupon lapse and cease to be exercisable in respect of the balance of the Shares over which it was held.
- 7.5. Until further notification by the Committee, no performance criteria shall apply to Options granted pursuant to this Scheme.

#### **8. EXERCISE OF OPTIONS**

- 8.1. An Option may not in any event be exercised later than 30 June 2021.
- 8.2. An Option shall not be exercised earlier than such period as may be specified by the Committee at the relevant Date of Grant, save as provided in rules 8.3, 8.4, 8.5, 12 and 13.
- 8.3. If an Optionholder dies in service an Option granted to him may be exercised by his Personal Representatives within the period of 12 months beginning with the date of his death, and if not then exercised shall lapse and cease to be exercisable at the end of that period.
- 8.4. If an Optionholder dies after ceasing to hold office or employment within the Group an Option granted to him which has not already lapsed may, within the period of 12 months beginning with the date of death, be exercised by his Personal Representatives, and if not then exercised shall lapse and cease to be exercisable at the end of that period of 12 months.
- 8.5. If an Optionholder ceases to hold office or employment within the Group by reason of:
- (a) injury, ill-health or disability (evidenced to the satisfaction of the Committee); or
  - (b) dismissal by reason of redundancy; or
  - (c) retirement on reaching 65 years or any other earlier age at which he is bound to retire in accordance with the terms, his contractor of employment; or
-

- (d) the company with which he holds office or employment by virtue of which he is eligible to participate in this Scheme ceasing to be an Associated Company or a member of the Group; or
- (e) the fact that the office or employment by virtue of which he is eligible to participate in this Scheme relates to a business or part of a business which is transferred to a company which is not a member of the Group; then, subject to rule 8.4, an Option granted to him may only be exercised within the period of 12 months beginning with the date on which the Optionholder so ceases and if not then exercised shall lapse and cease to be exercisable at the end of that period of 12 months.

8.6. If an Optionholder:

- (a) gives or receives notice to terminate the office or employment by virtue of which he was granted an Option; or
- (b) ceases to hold office or employment with any member of the Group for any reason other than those set out in rules 8.3 and 85 then an Option granted to him shall lapse and cease when he ceases to hold such office or employment.

8.7. For the purposes of this rule 8 an Optionholder shall not be treated as having ceased to hold office or employment within the Group unless and until he no longer holds any office or employment with any member of the Group.

#### **9. MANNER OF EXERCISE OF OPTIONS**

9.1. An Option shall be exercised only by the Optionholder serving a written notice upon the Company which:

- (a) specifies the number of Shares in respect of which that Option is exercised with the minimum being 25% of the Options Granted ;
  - (b) Is accompanied by payment of an amount equal to the product of the number of Shares specified in the notice and the Exercise Price; and
  - (c) unless the Committee otherwise permit, is accompanied by the Option Certificate in respect of that Option and is otherwise in such form as the Committee may from time to time determine. The notice of exercise shall be treated as served on the Company on the date upon which it is received by the Company.
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- 9.2. Within the period of 30 days beginning with the date on which the requirements of rule 9.1 are satisfied, the Company shall allot to the Optionholder (or such other person as the Optionholder may direct) the Shares specified in the notice.
- 9.3. As soon as reasonably practicable after the allotment or transfer of any Shares pursuant to rule 9.2, the Company shall issue to the Optionholder (or other person as directed by the Optionholder) a definitive share certificate or such acknowledgement of shareholding as is prescribed from time to time in respect of the Shares so allotted or transferred.
- 9.4. The allotment or transfer of any Shares under this Scheme shall be subject to the Memorandum and Articles of Association of the Company and to any necessary consents of any governmental or other authorities under any enactments or regulations from time to time in force and it shall be the responsibility of the Optionholder to comply with any requirements to be fulfilled in order to obtain or obviate the necessity of any such consent.
- 9.5. All Shares allotted or transferred under this Scheme shall rank equally in all respects with the Shares for the time being in issue save as regards any rights attaching to such Shares by reference to a record date prior to the date of such allotment or transfer.

#### **10. OVERALL LIMIT ON THE GRANTING OF OPTIONS**

- 10.1. The aggregate number of Shares in respect of which Options may be granted (both exercised and those which remain exercisable and have not lapsed), but excluding those which have lapsed and cancelled, taken together with options already granted under this Scheme, or any other share option or share incentive scheme adopted by the Company within the preceding ten years shall not exceed 10% of the Ordinary Share Capital as at the Date of Grant.

#### **11. INDIVIDUAL LIMITS ON THE GRANTING OF OPTIONS**

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- 11.1. No Option shall be granted to any Eligible Participant If or Insofar as It would cause the aggregate market value of Shares over which options granted in any 12 month period to that Eligible Participant, whether under the Scheme, or any other share option or share incentive scheme adopted by the Company to exceed an amount that Is greater than 10 times the amount of the emoluments (which, without limitation, excludes pension benefits and benefits in kind but Includes bonus entitlement) expressed as an annual rate then payable to the Eligible Participant by the Group. For the purposes of this rule, the market value of a share In respect of which rights to subscribe for shares have been or are to be granted shall be taken as the price payable upon the exercise of such rights.

## **12. DEMERGER, RECONSTRUCTION OR WINDING-UP**

- 12.1. Subject to rule 8.1, In the event that notice is given to shareholders of the Company of a proposed demerger of the Company the Committee may give notice to Optionholders that Options may then be exercised in respect of all the Shares over which they subsist (subject to any performance-related condition or other objective criterion attaching to Options being satisfied) within such period (not exceeding 30 days) as the Committee may specify in such notice to Optionholders, save that no such notice to Optionholders shall be given unless the Auditors have confirmed In writing to the Committee that the Interests of Optionholders would or might be substantially prejudiced if before the proposed demerger has effect Optionholders could not exercise their Options and be registered as the holders of the Shares thereupon acquired.
- 12.2. Subject to rule 8.1, if the court sanctions a compromise or arrangement proposed for the purposes of or In connection with a scheme for the reconstruction of the Company or its amalgamation the Optionholder shall be entitled to exercise his Option during the period of 6 months commencing on the date on which the court sanctions the compromise or arrangement (subject to any performance-related condition or other objective criterion attaching to Options being satisfied) and thereafter the Option shall lapse and cease to be exercisable.
- 12.3. In the event of notice being given to holders of Shares of a resolution for the voluntary winding-up of the Company, an Option may, subject to rule 8.1, be exercised at any time before the commencement of the winding-up (subject to any performance-related condition or other objective criterion attaching to Options being satisfied) and thereafter the Option shall lapse and cease to be exercisable.
- 12.4. All Options shall immediately lapse and cease to be exercisable upon the commencement of a winding-up of the Company.
-

**13. TAKE-OVER**

13.1. Subject to rule 8.1, if, as a result of either:

- (a) a general offer to acquire the whole of the Ordinary Share Capital which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company; or
- (b) a general offer to acquire all the shares in the Company of the same class as the Shares

the Company shall come under the Control of another person or persons, the Optionholder shall (subject to any performance-related condition or other objective criterion attaching to Options being satisfied) be entitled to exercise his Option within the period of 6 months of the date when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied or waived and to the extent that the Option is not then exercised it shall upon the expiration of that period lapse and ceased to be exercisable.

13.2. Subject to rule 8.1, if at any time before an Option has lapsed any person becomes entitled or bound to acquire shares in the Company under sections 428 to 430F (inclusive) of the Companies Act 1985 (or similar provisions applicable to the Company) the Optionholder shall (subject to any performance-related condition or other objective criterion attaching to Options being satisfied) be entitled to exercise his Option at any time when that person remains so entitled or bound and to the extent that the Option is not then exercised it shall upon the expiration of that period lapse and cease to be exercisable.

13.3. For the purposes of this rule 13, a person shall be deemed to have Control of a company if he and others acting in concert with him have together obtained Control of it.

**14. VARIATION OF SHARE CAPITAL**

14.1. In the event of any alteration of the Ordinary Share capital by way of capitalisation or rights issue, or sub-division, consolidation or reduction or any other variation in the share capital of the Company, the Committee will make such adjustment:

- (a) to the aggregate number or amount of Shares subject to any Option, and/or
  - (b) to the Exercise Price payable for each Share under any such Option, and/or
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- (c) where an Option to subscribe for Shares has been exercised but no Shares have been allotted in accordance with rule 9.2, to the number of Shares which may be so allotted and the Exercise Price payable for each Such Share.

PROVIDED THAT

- (i) except in the case of a capitalisation issue, any such adjustment is confirmed in writing by the Auditors to be in their opinion fair and reasonable; and
- (ii) except insofar as the Committee (on behalf of the Company) agrees to capitalise the Company's reserves and apply the same at the time of exercise of the Option in paying up the difference between the Exercise Price and the nominal value of the Shares, the Exercise Price in relation to any Option to subscribe for shares is not reduced below the nominal value of a Share.

- 14.2. As soon as reasonably practicable after any such adjustment has effect in relation to any Option the Company shall give notice in writing to the Optionholder.

**15. ALTERATION OF SCHEME**

- 15.1. The Committee may at any time alter or add to any of the provisions of this Scheme in any respect PROVIDED THAT:

- (a) no such alteration or addition shall detrimentally affect Optionholders with regard to their subsisting Options except with the consent of Optionholders who, assuming they exercise their Options in full, would become entitled to not less than three quarters of the nominal number of Shares the subject of such Options; and
- (b) the Committee must obtain approval of the shareholders of the Company in general meeting where a variation seeks to extend the class of persons eligible for the grant of Options, or alter to the advantage of Optionholders rules relating to the grant of Options, Scheme limits, the adjustment of Options, and the subscription price, save for minor amendments to benefit the administration of the Scheme to comply or take account of any proposed or existing legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Optionholders.
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- 15.2. As soon as reasonably practicable after making any alteration or addition under this rule 15, the Committee shall give notice in writing thereof to any Optionholder affected.

#### **16. SERVICE OF DOCUMENTS**

- 16.1. Except as otherwise provided in this Scheme, any notice or document to be given by, or on behalf of, the Company to any person in accordance or in connection with this Scheme shall be duly given:
- (a) if he is a director or employee of any member of the Group by delivering it to him at his place of work; or
  - (b) by sending it through the post in a pre-paid envelope to the address last known to the Company to be his address and, if so sent, it shall be deemed to have been duly given on the date of posting; or
  - (c) if he holds office or employment with any member of the Group, by sending a facsimile transmission or any other electronic communication to a current facsimile or electronic communication number addressed to him at his place of work or his address last known to the Company and if so sent it shall be deemed to have been duly given at the time of transmission.
- 16.2. Any notice or document so sent to an Eligible Participant and/or Optionholder shall be deemed to have been duly given notwithstanding that such person is then deceased (and whether or not the Company has notice of his death) except where his Personal Representatives have established their title to the satisfaction of the Company and supplied to the Company an address to which documents are to be sent.
- 16.3. Any notice in writing or document to be submitted or given to any of the Directors or the Company in accordance or in connection with this Scheme may be delivered, sent by post, or facsimile transmission but shall not in any event be duly given unless it is actually received by the secretary of the Company or such other individual as may from time to time be nominated by the Committee and whose name and address is notified to Optionholders.

#### **17. TAXATION**

- 17.1. If an Option Tax liability arises in respect of an Option the Company shall be entitled to the extent permitted by law to deduct such amount(s) from any payment due to be made by the Company or any Associated Company to or in respect of the Optionholder in respect of that Option during the same calendar month or other relevant period in which the event occurs or in any subsequent calendar month or such relevant period in order to satisfy and discharge the Option Tax Liability whether or not such payment is of an income or capital nature.
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- 17.2. If and to the extent that the Option Tax Liability referred to in rule 17.1 is of income tax which exceeds the amount from which deductions in respect thereof can be made in any one period referred to in rule 17.1 in respect of the Optionholder concerned, that Optionholder shall pay or reimburse the Company for the amount of the excess on demand or within such period as may be specified in any written notice given by the Company.
- 17.3. Where an Option Tax Liability arises in respect of the exercise of an Option the Committee may, without prejudice to the Company's rights under rule 17.1, by written notice to the Optionholder concerned nominate as his bare trustee any person ("the Bare Trustee") to sell such number of shares Issued upon the exercise of the Option as may be required In order to discharge the Option Tax Liability and any other liability (including costs) connected with the said sale and the Bare Trustee shall pay an amount equal to the Option Tax Liability to the Company and otherwise discharge any other said liability to the extent that the net proceeds from the said sale permit.

#### **18. MISCELLANEOUS**

- 18.1. The Company shall at all times keep available sufficient authorised but unissued Shares to satisfy the exercise in full of all Options to subscribe for Shares for the time being remaining capable of being exercised under this Scheme.
- 18.2. The Committee may from time to time make and vary such rules and regulations not Inconsistent herewith and establish such procedures for the administration and implementation of this Scheme as they think fit and in the event of any dispute or disagreement as to the Interpretation of this Scheme or of any such rules, regulations or procedures or as to any question or right arising from or related to this Scheme, the decision of the Committee shall (except as regards any matter required to be determined by the Auditors hereunder) be final and binding upon all persons.
- 18.3. In any matter in which they are required to act hereunder, the Auditors shall be deemed to be acting as experts and not as arbitrators.
- 18.4. The costs of the administration and implementation of this Scheme shall be borne by the Company.
-

- 18.5. Optionholders shall not by reason of the Option be entitled to receive copies of any documents sent to holders of Shares nor have any right to attend general meetings of the Company.
- 18.6. Any exercise or Issue of shares by the Company will be subject to any regulations or requirements of the Securities and Exchange Commission and/or the NVSE or any similar body.

**Exhibit 4.29**

**Eros International Plc**  
**Rules of the Eros International**  
**2015 Share Plan**  
**Unapproved Option Awards Scheme 2015**

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**Schedule**

Option Certificate Form of Acceptance

Notice of Exercise of Option

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**1. INTERPRETATION**

1.1. In this Scheme (unless context otherwise requires) the following words and phrases have the meanings given below):

"Auditors"	the auditors of the Company for the time being;
'Business Day'	a day on which clearing banks in the United States of America are open for business generally;
'Committee'	the remuneration Committee of the Company;
'Company'	Eros International plc (registered in the Isle of Man and whose registered office is at Fort Anne, Douglas, Isle of Man IM1 5PD);
'Control'	has the meaning ascribed to it in section 840 of the Taxes Act;
'Date of Grant'	in relation to any Option, the date on which that Option is granted;
'Directors'	the board of directors of the Company from time to time or a duly constituted Committee thereof;
'Eligible Participants'	any person who is an employee, consultant or director of any member of the Group;
'Exercise Price'	in relation to an Option, the price per Share payable upon the exercise of that Option;
'Group'	the Company, any holding company holding company of the Company and each and every company which is for the time being a Subsidiary of the Company or such holding company;

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'Option'	right to acquire Shares granted in accordance with and subject to the rules of this Scheme;
'Optionholder'	person who has been granted an Option or, if that person has died, their Personal Representatives;
'Option Tax Liability'	in relation to any Optionholder, any liability of the Company or any member of the Group, excluding NIC or similar taxes payable by the Company or any other member of the Group) to account for any amount of income tax, National Insurance Contribution or other tax arising in relation to the grant exercise or otherwise in relation to their Option;
'Ordinary Share Capital'	issued share capital of the Company from time to time;
'Personal Representative'	in relation to an Optionholder, the legal personal representatives of the Optionholder (being either the executors of their will to whom a valid grant of probate has been made or the administrators);
'this Scheme'	The Eros International plc 2015 Share Awards Scheme as set out in these rules and amended from time to time;
'Shares'	ordinary shares in issue in the capital of the Company;
'Shareholder'	person who holds one or more Shares;
'Taxes Act'	the relevant taxes act applicable to the Group in respect of this Scheme;
'Value'	in relation to a Share on a given day the prevailing mid market value as shall be determined by the Company Secretary;

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- 1.2. References to an Option vesting or being or becoming vested in respect of any number or proportion of the Shares over which it subsists are to be read as references to the Option becoming capable of being executed either immediately or, subject to the Optionholder continuing to hold office or employment within the Group, at some future time.
- 1.3. References to Shares in respect of which an Option subsists at any time are to be read and construed as references to the Shares over which the Option is then held (and in respect of which it has not then lapsed and ceased to be exercisable)
- 1.4. Any references to any enactment shall include any consolidation, modification, extension, amendment or re-enactment and to any subordinate legislation made under it for the time being in force.
- 1.5. Words denoting the masculine gender shall include the feminine.
- 1.6. Words denoting the singular shall include the plural and vice versa.
- 1.7. References to rules are to the rules of this Scheme.

## **2. ELIGIBILITY**

- 2.1. Subject to the following provisions of this rule 2, the Committee shall have absolute discretion as to the selection of persons to whom an Option is granted by the Company.
- 2.2. An Option shall not be granted to any person unless he is an Eligible Participant.
- 2.3. No Option shall be granted to any Eligible Participant within the period of one year ending on the date on which he is to reach the age of 65.

## **3. GRANT OF OPTIONS**

- 3.1. An Option may only be granted:
    - (a) at any time within the period of 42 days beginning with the date on which this Scheme is approved by the Committee; and
    - (b) within a period of 45 days immediately after the person to whom it is granted first becomes an Eligible Participant.
    - (c) at any time to meet awards annual bonus or incentives as agreed by the Committee.
  - 3.2. In the event of the Company being restricted by statute, order or regulation from granting an Option in accordance with rule 3.1, an Option may be granted within 42 days of the removal of such restriction.
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- 3.3. No Option may be granted after the tenth anniversary of the Scheme being approved.
- 3.4. An Option shall be granted by the Company executing as a deed and issuing to the Optionholder an option certificate which contains an undertaking by the Optionholder (duly executed as a deed) to be bound by the rules of this Scheme and which specifies:-
- (a) the Date of Grant;
  - (b) the number of Shares in respect of which the Option is granted;
  - (c) the Exercise Price;
  - (d) the earliest date on which the Option may be exercised by reason of rule 8.2;
  - (e) that the exercise of the Option is subject to such performance-related conditions (if any) as are imposed pursuant to rule 7;
  - (f) that the Optionholder agrees to indemnify the Company or other member of the Group, as the case may be, in respect of any Option Tax Liability and is otherwise in such form as the Committee may from time to time determine.

#### **4. CONTRACTUAL RELATIONSHIP**

- 4.1. The grant of an Option does not form part of the Optionholder's entitlement to remuneration or benefits pursuant to any member of the Group nor does any such contract give such person any right or entitlement to have an Option granted to him in respect of any number of Shares or any expectation that an Option might be granted to him whether subject to any conditions or at all.
- 4.2. The rights and obligations of an Optionholder under the terms of any contract with a member of the Group shall not be affected by the grant of an Option.
- 4.3. The rights granted to an Optionholder upon the grant of an Option shall not afford the Optionholder any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with a member of the Group.
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4.4. An Optionholder shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being or becoming unable to exercise an Option in consequence of the loss or termination of his office or employment with a member of the Group for any reason (including, without limitation, any breach of contract by an employer) or in any other circumstances whatsoever.

**5. NON-TRANSFERABILITY OF OPTIONS**

5.1. During his lifetime only the individual to whom an Option is granted may exercise that Option.

5.2. An Option shall immediately cease to be exercisable if:

- (a) it is purported to be transferred or assigned (other than to his Personal Representatives upon the death of the Optionholder), mortgaged, charged or otherwise disposed of by the Optionholder; or
- (b) the Optionholder is adjudicated bankrupt or a bankruptcy order is made against the Optionholder; or
- (c) the Optionholder is deprived (otherwise than on death) of the legal or beneficial ownership of the Option by operation of law or by the Optionholder doing or omitting to do anything which causes him to be so deprived.

**6. EXERCISE PRICE**

6.1. The Exercise Price shall be determined by the Committee but shall not be less than the greater of the Value of a Share on the Date the Grant was approved or the nominal value of a Share. In the event that an eligible participant and the Company agree an Option prior which is subsequently approved by the Committee the Exercise Price shall not be less than the greater of the Value of a Share on the Date the Grant was agreed or the nominal value of a Share.

**7. PERFORMANCE-RELATED CONDITIONS OF EXERCISE**

7.1. Subject to rule 7.4, the exercise of an Option may be conditional upon the performance of the Company and/or the performance of another member of the Group over such period and measured against such objective criterion as shall be determined by the Committee and notified to the Optionholder when the Option is granted.

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- 7.2. Any such condition may provide that the Option shall become vested in respect of a given number or proportion of the Shares over which it subsists according to whether, and the extent to which, any given performance target is met or exceeded.
- 7.3. After an Option has been granted the Committee may, in appropriate circumstances, amend any such performance-related condition of exercise of an Option provided that no such amendment shall be made unless such amendment will afford a more effective incentive to the Optionholder and will be no more difficult to satisfy than were the original conditions when first set.
- 7.4. If, in consequence of a performance-related condition being met, an Option becomes vested in respect of some but not all of the number of Shares over which it subsists, it shall thereupon lapse and cease to be exercisable in respect of the balance of the Shares over which it was held.
- 7.5. Until further notification by the Committee, no performance criteria shall apply to Options granted pursuant to this Scheme.

## **8. EXERCISE OF OPTIONS**

- 8.1. An Option may not in any event be exercised later than 31 March 2025.
  - 8.2. An Option shall not be exercised earlier than such period as may be specified by the Committee at the relevant Date of Grant, save as provided in rules 8.3, 8.4, 8.5, 12 and 13.
  - 8.3. If an Optionholder dies in service an Option granted to him may be exercised by his Personal Representatives within the period of 12 months beginning with the date of his death, and if not then exercised shall lapse and cease to be exercisable at the end of that period.
  - 8.4. If an Optionholder dies after ceasing to hold office or employment within the Group an Option granted to him which has not already lapsed may, within the period of 12 months beginning with the date of death, be exercised by his Personal Representatives, and if not then exercised shall lapse and cease to be exercisable at the end of that period of 12 months.
  - 8.5. If an Optionholder ceases to hold office or employment within the Group by reason of:
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- (a) injury, ill-health or disability (evidenced to the satisfaction of the Committee); or
- (b) dismissal by reason of redundancy; or
- (c) retirement on reaching 65 years or any other earlier age at which he is bound to retire in accordance with the terms of his contract of employment; or
- (d) the company with which he holds office or employment by virtue of which he is eligible to participate in this Scheme ceasing to be an Associated Company or a member of the Group; or
- (e) the fact that the office or employment by virtue of which he is eligible to participate in this Scheme relates to a business or part of a business which is transferred to a company which is not a member of the Group; then, subject to rule 8.4, an Option granted to him may only be exercised within the period of 12 months beginning with the date on which the Optionholder so ceases and if not then exercised shall lapse and cease to be exercisable at the end of that period of 12 months.

8.6. If an Optionholder:

- (a) gives or receives notice to terminate the office or employment by virtue of which he was granted an Option; or
- (b) ceases to hold office or employment with any member of the Group for any reason other than those set out in rules 8.3 and 8.5 then an Option granted to him shall lapse and cease when he ceases to hold such office or employment.

8.7. For the purposes of this rule 8 an Optionholder shall not be treated as having ceased to hold office or employment within the Group unless and until he no longer holds any office or employment with any member of the Group.

**9. MANNER OF EXERCISE OF OPTIONS**

9.1. An Option shall be exercised only by the Optionholder serving a written notice upon the Company which:

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- (a) specifies the number of Shares in respect of which that Option is exercised with the minimum being 25% of the Options Granted ;
- (b) is accompanied by payment of an amount equal to the product of the number of Shares specified in the notice and the Exercise Price; and
- (c) unless the Committee otherwise permit, is accompanied by the Option Certificate in respect of that Option

and is otherwise in such form as the Committee may from time to time determine. The notice of exercise shall be treated as served on the Company on the date upon which it is received by the Company.

- 9.2. Within the period of 30 days beginning with the date on which the requirements of rule 9.1 are satisfied, the Company shall allot to the Optionholder (or such other person as the Optionholder may direct) the Shares specified in the notice.
  - 9.3. As soon as reasonably practicable after the allotment or transfer of any Shares pursuant to rule 9.2, the Company shall issue to the Optionholder (or other person as directed by the Optionholder) a definitive share certificate or such acknowledgement of shareholding as is prescribed from time to time in respect of the Shares so allotted or transferred.
  - 9.4. The allotment or transfer of any Shares under this Scheme shall be subject to the Memorandum and Articles of Association of the Company and to any necessary consents of any governmental or other authorities under any enactments or regulations from time to time in force and it shall be the responsibility of the Optionholder to comply with any requirements to be fulfilled in order to obtain or obviate the necessity of any such consent.
  - 9.5. All Shares allotted or transferred under this Scheme shall rank equally in all respects with the Shares for the time being in issue save as regards any rights attaching to such Shares by reference to a record date prior to the date of such allotment or transfer.
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**10. OVERALL LIMIT ON THE GRANTING OF OPTIONS**

10.1. The aggregate number of Shares in respect of which Options may be granted (both exercised and those which remain exercisable and have not lapsed), but excluding those have lapsed and cancelled, taken together with options already granted under this Scheme, or any other share option or share incentive scheme adopted by the Company within the preceding ten years shall not exceed 10% of the Ordinary Share Capital as at the Date of Grant.

**11. INDIVIDUAL LIMITS ON THE GRANTING OF OPTIONS**

11.1. No Option shall be granted to any Eligible Participant if or insofar as it would cause the aggregate market value of Shares over which options granted in any 12 month period to that Eligible Participant, whether under the Scheme, or any other share option or share incentive scheme adopted by the Company to exceed an amount that is greater than 10 times the amount of the emoluments (which, without limitation, excludes pension benefits and benefits in kind but includes bonus entitlement) expressed as an annual rate then payable to the Eligible Participant by the Group. For the purposes of this rule, the market value of a share in respect of which rights to subscribe for shares have been or are to be granted shall be taken as the price payable upon the exercise of such rights.

**12. DEMERGER, RECONSTRUCTION OR WINDING-UP**

12.1. Subject to rule 8.1, in the event that notice is given to shareholders of the Company of a proposed demerger of the Company the Committee may give notice to Optionholders that Options may then be exercised in respect of all the Shares over which they subsist (subject to any performance-related condition or other objective criterion attaching to Options being satisfied) within such period (not exceeding 30 days) as the Committee may specify in such notice to Optionholders, save that no such notice to Optionholders shall be given unless the Auditors have confirmed in writing to the Committee that the interests of Optionholders would or might be substantially prejudiced if before the proposed demerger has effect Optionholders could not exercise their Options and be registered as the holders of the Shares thereupon acquired.

12.2. Subject to rule 8.1, if the court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation the Optionholder shall be entitled to exercise his Option during the period of 6 months commencing on the date on which the court sanctions the compromise or arrangement (subject to any performance-related condition or other objective criterion attaching to Options being satisfied) and thereafter the Option shall lapse and cease to be exercisable.

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12.3. In the event of notice being given to holders of Shares of a resolution for the voluntary winding-up of the Company, an Option may, subject to rule 8.1, be exercised at any time before the commencement of the winding-up (subject to any performance-related condition or other objective criterion attaching to Options being satisfied) and thereafter the Option shall lapse and cease to be exercisable.

12.4. All Options shall immediately lapse and cease to be exercisable upon the commencement of a winding-up of the Company.

### **13. TAKE-OVER**

13.1. Subject to rule 8.1, if, as a result of either:

- (a) a general offer to acquire the whole of the Ordinary Share Capital which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company; or
- (b) a general offer to acquire all the shares in the Company of the same class as the Shares the Company shall come under the Control of another person or persons, the Optionholder shall (subject to any performance-related condition or other objective criterion attaching to Options being satisfied) be entitled to exercise his Option within the period of 6 months of the date when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied or waived and to the extent that the Option is not then exercised it shall upon the expiration of that period lapse and ceased to be exercisable.

13.2. Subject to rule 8.1, if at any time before an Option has lapsed any person becomes entitled or bound to acquire shares in the Company under sections 428 to 430F (inclusive) of the Companies Act 1985 (or similar provisions applicable to the Company) the Optionholder shall (subject to any performance-related condition or other objective criterion attaching to Options being satisfied) be entitled to exercise his Option at any time when that person remains so entitled or bound and to the extent that the Option is not then exercised it shall upon the expiration of that period lapse and cease to be exercisable.

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13.3. For the purposes of this rule 13, a person shall be deemed to have Control of a company if he and others acting in concert with him have together obtained Control of it.

#### **14. VARIATION OF SHARE CAPITAL**

14.1. In the event of any alteration of the Ordinary Share Capital by way of capitalisation or rights issue, or sub-division, consolidation or reduction or any other variation in the share capital of the Company, the Committee will make such adjustment:

- (a) to the aggregate number or amount of Shares subject to any Option, and/or
- (b) to the Exercise Price payable for each Share under any such Option, and/or
- (c) where an Option to subscribe for Shares has been exercised but no Shares have been allotted in accordance with rule 9.2, to the number of Shares which may be so allotted and the Exercise Price payable for each Such Share.

**PROVIDED THAT**

- (i) except in the case of a capitalisation issue, any such adjustment is confirmed in writing by the Auditors to be in their opinion fair and reasonable; and
- (ii) except insofar as the Committee (on behalf of the Company) agrees to capitalise the Company's reserves and apply the same at the time of exercise of the Option in paying up the difference between the Exercise Price and the nominal value of the Shares, the Exercise Price in relation to any Option to subscribe for shares is not reduced below the nominal value of a Share.

14.2. As soon as reasonably practicable after any such adjustment has effect in relation to any Option the Company shall give notice in writing to the Optionholder.

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**15. ALTERATION OF SCHEME**

15.1. The Committee may at any time alter or add to any of the provisions of this Scheme in any respect PROVIDED THAT:

- (a) no such alteration or addition shall detrimentally affect Optionholders with regard to their subsisting Options except with the consent of Optionholders who, assuming they exercise their Options in full, would become entitled to not less than three quarters of the nominal number of Shares the subject of such Options; and
- (b) the Committee must obtain approval of the shareholders of the Company in general meeting where a variation seeks to extend the class of persons eligible for the grant of Options, or alter to the advantage of Optionholders rules relating to the grant of Options, Scheme limits, the adjustment of Options, and the subscription price, save for minor amendments to benefit the administration of the Scheme to comply or take account of any proposed or existing legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Optionholders.

15.2. As soon as reasonably practicable after making any alteration or addition under this rule 15, the Committee shall give notice in writing thereof to any Optionholder affected.

**16. SERVICE OF DOCUMENTS**

16.1. Except as otherwise provided in this Scheme, any notice or document to be given by, or on behalf of, the Company to any person in accordance or in connection with this Scheme shall be duly given:

- (a) if he is a director or employee of any member of the Group by delivering it to him at his place of work; or
  - (b) by sending it through the post in a pre-paid envelope to the address last known to the Company to be his address and, if so sent, it shall be deemed to have been duly given on the date of posting; or
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(c) if he holds office or employment with any member of the Group, by sending a facsimile transmission or any other electronic communication to a current facsimile or electronic communication number addressed to him at his place of work or his address last known to the Company and if so sent it shall be deemed to have been duly given at the time of transmission.

16.2. Any notice or document so sent to an Eligible Participant and/or Optionholder shall be deemed to have been duly given notwithstanding that such person is then deceased (and whether or not the Company has notice of his death) except where his Personal Representatives have established their title to the satisfaction of the Company and supplied to the Company an address to which documents are to be sent.

16.3. Any notice in writing or document to be submitted or given to any of the Directors or the Company in accordance or in connection with this Scheme may be delivered, sent by post, or facsimile transmission but shall not in any event be duly given unless it is actually received by the secretary of the Company or such other individual as may from time to time be nominated by the Committee and whose name and address is notified to Optionholders.

## 17. TAXATION

17.1. If an Option Tax Liability arises in respect of an Option the Company shall be entitled to the extent permitted by law to deduct such amount(s) from any payment due to be made by the Company or any Associated Company to or in respect of the Optionholder in respect of that Option during the same calendar month or other relevant period in which the event occurs or in any subsequent calendar month or such relevant period in order to satisfy and discharge the Option Tax Liability whether or not such payment is of an income or capital nature.

17.2. If and to the extent that the Option Tax Liability referred to in rule 17.1 is of income tax which exceeds the amount from which deductions in respect thereof can be made in any one period referred to in rule 17.1 in respect of the Optionholder concerned, that Optionholder shall pay or reimburse the Company for the amount of the excess on demand or within such period as may be specified in any written notice given by the Company.

17.3. Where an Option Tax Liability arises in respect of the exercise of an Option the Committee may, without prejudice to the Company's rights under rule 17.1, by written notice to the Optionholder concerned nominate as his bare trustee any person ("the Bare Trustee") to sell such number of shares issued upon the exercise of the

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Option as may be required in order to discharge the Option Tax Liability and any other liability (including costs) connected with the said sale and the Bare Trustee shall pay an amount equal to the Option Tax Liability to the Company and otherwise discharge any other said liability to the extent that the net proceeds from the said sale permit.

#### **18. MISCELLANEOUS**

- 18.1. The Company shall at all times keep available sufficient authorised but unissued Shares to satisfy the exercise in full of all Options to subscribe for Shares for the time being remaining capable of being exercised under this Scheme.
  - 18.2. The Committee may from time to time make and vary such rules and regulations not inconsistent herewith and establish such procedures for the administration and implementation of this Scheme as they think fit and in the event of any dispute or disagreement as to the interpretation of this Scheme or of any such rules, regulations or procedures or as to any question or right arising from or related to this Scheme, the decision of the Committee shall (except as regards any matter required to be determined by the Auditors hereunder) be final and binding upon all persons.
  - 18.3. In any matter in which they are required to act hereunder, the Auditors shall be deemed to be acting as experts and not as arbitrators.
  - 18.4. The costs of the administration and implementation of this Scheme shall be borne by the Company.
  - 18.5. Optionholders shall not by reason of the Option be entitled to receive copies of any documents sent to holders of Shares nor have any right to attend general meetings of the Company.
  - 18.6. Any exercise or issue of shares by the Company will be subject to any regulations or requirements of the Securities and Exchange Commission and/or the NYSE or any similar body.
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Exhibit 4.30  
EXECUTION COPY

Dated 15 October 2014

**EROS INTERNATIONAL PLC**  
and  
**U.S. BANK TRUSTEES LIMITED**

**TRUST DEED**  
constituting the  
£50,000,000 6.50 per cent. Bonds due 2021

**Linklaters**

Ref:EXM/RR/LB

Linklaters LLP

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This Trust Deed is made on 15 October 2014 by:

- (1) **EROS INTERNATIONAL PLC** (the "**Issuer**"); and
- (2) **U.S. BANK TRUSTEES LIMITED** (the "**Trustee**", which expression, where the context so admits, includes any other trustee for the time being of this Trust Deed).

**WHEREAS:**

- (A) The Issuer, incorporated as a public company with limited liability in the Isle of Man, has authorised the issue of £50,000,000 6.50 per cent. Bonds due 2021 to be constituted by this Trust Deed.
- (B) On the date of this Trust Deed, no guarantees in respect of this Trust Deed, the Bonds or the Coupons are given by any person; however, pursuant to Condition 2(c) of the terms and conditions of the Bonds the Issuer has undertaken to procure that certain of its Subsidiaries will provide Guarantees, in certain circumstances, after the date of this Trust Deed.
- (C) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

This Deed witnesses and it is declared as follows:

**1 Interpretation**

**1.1 Definitions:** The following expressions have the following meanings:

**"Agency Agreement"** means the agreement referred to as such in the Conditions, as altered from time to time, and includes any other agreement approved in writing by the Trustee appointing Successor Paying Agents or altering any such agreement;

**"Bondholder"** means the holder of a Bond;

**"Bonds"** means bearer bonds substantially in the form set out in Schedule 1 comprising the £50,000,000 6.50 per cent. Bonds due 2021 constituted by this Trust Deed and for the time being outstanding or, as the context may require, a specific number of them and includes any replacement Bonds issued pursuant to the Conditions and (except for the purposes of Clause 3.1) the Global Bond;

**"Change of Control Put Event"** has the meaning given to it in Condition 5(c);

**"Clearstream, Luxembourg"** means Clearstream Banking, *societe anonyme*;

**"Conditions"** means the terms and conditions set out in Schedule 1 as from time to time modified in accordance with this Trust Deed and, with respect to any Bonds represented by the Global Bond, as modified by the provisions of the Global Bond. Any reference to a particularly numbered Condition shall be construed accordingly;

**"Couponholder"** means the holder of a Coupon;

**"Coupons"** means the bearer coupons relating to the Bonds or, as the context may require, a specific number of them and includes any replacement Coupons issued pursuant to the Conditions;

**"EEA Regulated Market"** means a market as defined by Article 4.1(14) of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments;

**"Electronic Consent"** has the meaning set out in Schedule 3;

**"Euroclear"** means Euroclear Bank S.A./N.V.;

**"Event of Default"** means an event described in Condition 8; **"Extraordinary Resolution"** has the meaning set out in Schedule 3;

**"FSMA"** means the Financial Services and Markets Act 2000, as amended;

**"Global Bond"** means the permanent global bond which will represent the Bonds on issue substantially in the form set out in Schedule 2;

**"Guarantee"** means the guarantee and indemnity of any Subsidiary Guarantor contained in Clause 5 and the term **"Guarantees"** will be construed accordingly;

**"Market"** means the EEA Regulated Market of the London Stock Exchange and which includes the electronic order book for retail bonds (ORB);

**"Material Subsidiary"** has the meaning given to it in Condition 8;

**"Non-Indian Subsidiary"** has the meaning given to it in Condition 3;

**"outstanding"** means, in relation to the Bonds, all the Bonds issued except (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under the Conditions after such date) have been duly paid to the Trustee or to the Principal Paying Agent as provided in Clause 2 and remain available for payment against presentation and surrender of Bonds and/or Coupons, as the case may be, (c) those which have become void, (d) those which have been purchased and cancelled as provided in the Conditions, (e) those mutilated or defaced Bonds which have been surrendered in exchange for replacement Bonds, (f) (for the purpose only of determining how many Bonds are outstanding and without prejudice to their status for any other purpose) those Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Bonds have been issued, and (g) the Global Bond to the extent that it shall have been exchanged for definitive Bonds pursuant to its provisions provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Bondholders or on any Written Resolution or Electronic Consent, (2) the determination of how many Bonds are outstanding for the purposes of Conditions 8 and 11 and Schedule 3, (3) the exercise of any discretion, power or authority which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Bondholders and (4) the certification (where relevant) by the Trustee as to whether any event, circumstances or matter is in its opinion materially prejudicial to the interests of the Bondholders, those Bonds which are beneficially held by or on behalf of the Issuer or any of its Subsidiaries and not cancelled shall (unless no longer so held) be deemed not to remain outstanding;

**"Paying Agents"** means the banks (including the Principal Paying Agent) referred to as such in the Conditions or any Successor Paying Agents in each case at their respective specified offices;

**"Person"** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company trust, unincorporated organisation, government or any agency or political subdivision thereof or any other entity;

**"Potential Event of Default"** means an event or circumstance which could with the giving of notice, lapse of time, issue of a certificate and/or fulfillment of any other requirement become an Event of Default;

**"Principal Paying Agent"** means the bank named as such in the Conditions or any Successor Principal Paying Agent;

**"Relevant Indebtedness"** has the meaning given to it in Condition 2;

**"Relevant Non-Indian Indebtedness"** has the meaning given to it in Condition 2;

**"specified office"** means, in relation to a Paying Agent, the office identified with its name at the end of the Conditions or any other office approved by the Trustee and notified to Bondholders pursuant to Clause 7.13; Bondholders pursuant to Clause 7.13;

**"Subsidiary"** of any Person means any entity whose financial statements at any time are required by Jaw or in accordance with generally accepted accounting principles to be fully consolidated with those of such Person;

**"Subsidiary Guarantor"** has the meaning given to it in Condition 2; and the term **"Subsidiary Guarantors"** will be construed accordingly;

**"Successor"** means, in relation to the Paying Agents, such other or further person as may from time to time be appointed by the Issuer or any Subsidiary Guarantor as a Paying Agent with the written approval of, and on terms approved in writing by, the Trustee and notice of whose appointment is given to Bondholders pursuant to Clause 7.13;

**"Tax Jurisdiction"** means, in the case of the Issuer, the Isle of Man or any political division or authority therein or thereof having power to tax and, in the case of any Subsidiary Guarantor, any jurisdiction under the laws of which that Subsidiary Guarantor for the time being is treated as being resident for tax purposes, or any political division or authority therein or thereof having power to tax;

**"this Trust Deed"** means this Trust Deed (as from time to time altered in accordance with this Trust Deed) and any other document executed in accordance with this Trust Deed (as from time to time so altered) and expressed to be supplemental to this Trust Deed;

**"trust corporation"** means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees; and

**"Written Resolution"** has the meaning set out in Schedule 3.

**1.2 Construction of Certain References:** References to:

1.2.1 costs, charges, remuneration or expenses include any value added, turnover or similar tax charged in respect thereof;

1.2.2 **"pounds"**, **"sterling"** and **"£"** are to the lawful currency for the time being of the United Kingdom; and

1.2.3 an action, remedy or method of judicial proceedings for the enforcement of creditors' rights include references to the action, remedy or method of judicial proceedings in jurisdictions other than England as shall most nearly approximate thereto.

**1.3 Headings:** Headings shall be ignored in construing this Trust Deed.

- 1.4 Schedules:** The Schedules are part of this Trust Deed and have effect accordingly.
- 1.5 Contracts (Rights of Third Parties) Act 1999:** A person who is not a party to this Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed except and to the extent that this Trust Deed expressly provides for such Act to apply to any of its terms.
- 2 Amount of the Bonds and Covenant to Pay**
- 2.1 Amount of the Bonds:** The aggregate nominal amount of the Bonds is limited to £50,000,000.
- 2.2 Covenant to pay:** The Issuer will on any date when any Bonds become due to be redeemed unconditionally pay to or to the order of the Trustee in London in pounds sterling in same day funds the nominal amount of the Bonds becoming due for redemption on that date and will (subject to the Conditions) until such payment (both before and after judgment or order) unconditionally so pay to or to the order of the Trustee interest on the nominal amount of the Bonds outstanding as set out in the Conditions provided that (1) subject to the provisions of Clause 2.4 payment of any sum due in respect of the Bonds made to the Principal Paying Agent as provided in the Agency Agreement shall, to that extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Bondholders or Couponholders under the Conditions and (2) a payment made after the due date or pursuant to Condition 8 will be deemed to have been made when the full amount due has been received by the Principal Paying Agent or the Trustee and notice to that effect has been given to the Bondholders (if required under Clause 7.9), except to the extent that there is failure in its subsequent payment to the relevant Bondholders or Couponholders under the Conditions. The Trustee will hold the benefit of this covenant on trust for the Bondholders and Couponholders.
- 2.3 Discharge:** Subject to Clause 2.4, any payment to be made in respect of the Bonds or the Coupons by the Issuer, the Subsidiary Guarantors (if any) or the Trustee may be made as provided in the Conditions and any payment so made will (subject to Clause 2.4) to that extent be a good discharge to the Issuer, the Subsidiary Guarantors (if any) or the Trustee, as the case may be.
- 2.4 Payment after a Default:** At any time after an Event of Default or a Potential Event of Default has occurred the Trustee may:
- 2.4.1 by notice in writing to the Issuer, any Subsidiary Guarantors and the Paying Agents, require the Paying Agents, until notified by the Trustee to the contrary, so far as permitted by applicable law:
- (i) to act as Paying Agents of the Trustee under this Trust Deed and the Bonds on the terms of the Agency Agreement (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and expenses of the Paying Agents will be limited to the amounts for the time being held by the Trustee in respect of the Bonds on the terms of this Trust Deed) and thereafter to hold all Bonds and Coupons and all moneys, documents and records held by them in respect of Bonds and Coupons to the order of the Trustee; or



(ii) to deliver all Bonds and Coupons and all moneys, documents and records held by them in respect of the Bonds and Coupons to the Trustee or as the Trustee directs in such notice; and

2.4.2 by notice in writing to the Issuer and the Subsidiary Guarantor (if any) require them to make all subsequent payments in respect of the Bonds and Coupons to or to the order of the Trustee and not to the Principal Paying Agent with effect from the issue of any such notice to the Issuer and the Subsidiary Guarantors (if any); and from then until such notice is withdrawn, proviso (1) to Clause 2.2 above shall cease to have effect.

### 3 Form of the Bonds

**3.1 The Global Bond:** The Bonds will initially be represented by the Global Bond in the nominal amount of £50,000,000. The Global Bond will be exchangeable for definitive Bonds as set out in the Global Bond.

**3.2 The Definitive Bonds:** The definitive Bonds and the Coupons will be security printed in accordance with applicable legal and stock exchange requirements substantially in the forms set out in Schedule 1. The Bonds will be endorsed with the Conditions.

**3.3 Signature:** The Bonds and the Coupons will be signed manually or in facsimile by any authorised signatory of the Issuer and the Bonds will be authenticated by or on behalf of the Principal Paying Agent. The Issuer may use the facsimile signature of a person who at the date of this Trust Deed is such an authorised signatory even if at the time of issue of any Bonds or Coupons he no longer holds that office. Bonds and Coupons so executed and authenticated will be binding and valid obligations of the Issuer.

### 4 Stamp Duties and Taxes

**4.1 Stamp Duties:** The Issuer will pay any stamp, issue, documentary or other taxes and duties, including interest and penalties, payable in the Isle of Man, Belgium, Luxembourg and the United Kingdom in respect of the creation, issue and offering of the Bonds and the Coupons and the execution or delivery of this Trust Deed. The Issuer will also indemnify the Trustee, the Bondholders and the Couponholders from and against all stamp, issue, documentary or other taxes paid by any of them in any jurisdiction in connection with any action taken by or on behalf of the Trustee or, as the case may be, the Bondholders or the Couponholders to enforce the Issuer's or any Subsidiary Guarantor's obligations under this Trust Deed, the Bonds or the Coupons.

**4.2 Change of Taxing Jurisdiction:** If the Issuer (or a Subsidiary Guarantor) becomes subject generally to the taxing jurisdiction of a territory or a taxing authority of or in that territory with power to tax other than or in addition to the relevant Tax Jurisdiction for the time being then the Issuer, or, as the case may be, such Subsidiary Guarantor, will (unless the Trustee otherwise agrees) give the Trustee an undertaking satisfactory to the Trustee in terms corresponding to the terms of Condition 7 with the substitution for, or (as the case may require) the addition to, the references in that Condition to the relevant Tax Jurisdiction of references to that other or additional territory or authority to whose taxing jurisdiction the Issuer or the relevant Subsidiary Guarantor has become so subject. In such event this Trust Deed, the Bonds and the Coupons will be read accordingly.

## 5 Guarantee and Indemnity

- 5.1 Guarantee:** Each or any Subsidiary of the Issuer which is added as a Subsidiary Guarantor pursuant to Condition 2(c), whether by way of a supplemental trust deed or otherwise, until such time as it may cease to be a Subsidiary Guarantor pursuant to Condition 2(d) or otherwise in accordance with this Trust Deed, unconditionally and irrevocably and jointly and severally guarantees that if the Issuer does not pay any sum payable by it under this Trust Deed, the Bonds or the Coupons by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise), each such Subsidiary Guarantor will, on a joint and several basis, pay that sum to or to the order of the Trustee, in the manner provided in Clause 2.2 (or, if in respect of sums due under Clause 8, in London in pounds sterling in immediately available funds) before close of business on that date in the city to which payment is so to be made. Clause 2.2(1) and 2.2(2) will apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 8. All payments under any Guarantee by any Subsidiary Guarantor will be made subject to Condition 7 and Clause 4.2.
- 5.2 Subsidiary Guarantors as Principal Debtors:** As between each or any Subsidiary Guarantor and the Trustee, the Bondholders and the Couponholders but without affecting the Issuer's obligations, each of the Subsidiary Guarantors will be jointly and severally liable under this Clause 5 as if they were the sole principal debtor and not merely sureties. Accordingly, they will not be discharged, nor will their liability be affected, by anything which would not discharge them or affect their liability if they were the sole principal debtors (including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of this Trust Deed or to the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) the enforcement or absence of enforcement of this Trust Deed, the Bonds or the Coupons or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (7) the illegality, invalidity or unenforceability of or any defect in any provision of this Trust Deed, the Bonds or the Coupons or any of the Issuer's obligations under any of them).
- 5.3 Subsidiary Guarantors' Obligations Continuing:** Each or any Subsidiary Guarantor's obligations under this Trust Deed are and will remain in full force and effect by way of continuing security until no sum remains payable under this Trust Deed, the Bonds or the Coupons. Furthermore, those obligations of such Subsidiary Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from such Subsidiary Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. Each or any Subsidiary Guarantor irrevocably waives all notices and demands of any kind.
- 5.4 Exercise of Subsidiary Guarantors' Rights:** So long as any sum remains payable under this Trust Deed, the Bonds or the Coupons:
- 5.4.1** any right of any Subsidiary Guarantor, by reason of the performance of any of its obligations under this Clause, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity will be exercised and enforced by such Subsidiary Guarantor only in such manner and on such terms as the Trustee may require or approve; and

- 5.4.2** any amount received or recovered by any Subsidiary Guarantor (a) as a result of any exercise of any such right or (b) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer will be held in trust for the Trustee and immediately paid to the Trustee and the Trustee will hold it on the trusts set out in Clause 6.1.
- 5.5 Suspense Accounts:** Any amount received or recovered by the Trustee (otherwise than as a result of a payment by the Issuer to the Trustee in accordance with Clause 2) in respect of any sum payable by the Issuer under this Trust Deed, the Bonds or the Coupons may be placed in a suspense account and kept there for so long as the Trustee thinks fit.
- 5.6 Avoidance of Payments:** The Subsidiary Guarantors shall, on a joint and several basis, indemnify the Trustee, each Bondholder and each Couponholder against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under this Trust Deed, any Bond or the Coupons relating to that Bond and shall in any event pay to it on demand the amount as refunded by it.
- 5.7 Debts of Issuer:** If any moneys become payable by a Subsidiary Guarantor under the Guarantee, the Issuer will not (except in the event of the liquidation of the Issuer) so long as any such moneys remain unpaid, pay any moneys for the time being due from the Issuer to any Subsidiary Guarantor.
- 5.8 Addition of a Subsidiary Guarantor:** In connection with the proposed addition of any Subsidiary of the Issuer as a Subsidiary Guarantor pursuant to Condition 2(c) or Condition 2(e), the Trustee shall (without liability or the consent of the Bondholders or Couponholders) agree to a Guarantee being provided by a new Subsidiary Guarantor provided that the Trustee shall have been delivered (i) a deed supplemental to this Trust Deed, duly executed, and substantially in the form set out in Schedule 4 (or in such other form as may be necessary or appropriate to comply with any applicable law, rule or regulation, including the law of any jurisdiction outside England and Wales where that entity is organised or carries on business) and (ii) relevant legal opinions each in a form satisfactory to the Trustee.
- 5.9 Notice of Addition of a Subsidiary Guarantor:** As soon as reasonably practicable but in any event at least 10 days before the date that any Subsidiary Guarantor will be due to become a Subsidiary Guarantor pursuant to this Trust Deed or the Conditions, the Issuer shall provide written notice of such event to the Trustee.
- 5.10 Release of Subsidiary Guarantors:** If any Subsidiary Guarantor ceases to be a Subsidiary Guarantor pursuant to Condition 2(d), such Subsidiary Guarantor shall be released simultaneously from all of its future obligations under this Trust Deed, without any prejudice to any obligations which may have accrued prior to that time. The Trustee shall, at the written request of the Issuer but without the consent of the Bondholders or Couponholders, agree to the release of a Subsidiary Guarantor (the "Released Subsidiary Guarantor") as a guarantor under the Trust Deed, the Bonds and the Coupons provided that the Issuer delivers to the Trustee a notice including a certificate signed by two directors of the Issuer containing each of the certifications required by Conditions 2(d)(i) and 2(d)(ii) upon which the Trustee may rely without liability to any person.

- 5.11 Provisions of the Trust Deed to apply to Subsidiary Guarantors:** All the provisions of this Trust Deed expressed to relate to Subsidiary Guarantors shall apply to a Subsidiary Guarantor and to the Guarantee given by such Subsidiary Guarantor in all respects as if the Subsidiary Guarantor had been party to this Trust Deed and references herein to Subsidiary Guarantors had included the Subsidiary Guarantor.
- 5.12 Compliance with Agency Agreement:** Each or any Subsidiary Guarantor covenants at all times to comply with and perform all its obligations under the Agency Agreement and to use all reasonable endeavours to procure that the Agents comply with and perform all their respective obligations thereunder and not make any amendment or modification to such agreement without the prior written approval of the Trustee.
- 5.13 Issuer and Subsidiary Guarantors consent to Subsidiary Guarantor:** The Issuer and each Subsidiary Guarantor (if any, for the time being) shall be deemed to have consented to the addition of a further Subsidiary Guarantor and shall be deemed to be jointly and severally liable with any Subsidiary Guarantor by virtue of the giving by any Subsidiary Guarantor of a Guarantee without the necessity for the Issuer or any Subsidiary Guarantor to concur in, consent to or execute any further deed or other instrument adding any Subsidiary Guarantor.
- 5.14 Trustee shall not be obliged to monitor:** The Trustee shall not be obliged to monitor compliance by the Issuer with Conditions 2(c), 2(d) or 2(e) and shall have no liability to any person for not doing so. The Trustee shall be entitled to rely without liability to any person on any certificate or notice of the Issuer provided under Condition 2 and, until it receives such notice, shall assume that no Subsidiary of the Issuer has provided any guarantee or indemnity in respect of any Relevant Non-Indian Indebtedness and/or any Relevant Indebtedness.
- 5.15 Indemnity:** As separate, independent and alternative stipulations, each or any Subsidiary Guarantor unconditionally and irrevocably agrees (1) that any sum which, although expressed to be payable by the Issuer under this Trust Deed, the Bonds or the Coupons, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, any Subsidiary Guarantor, the Trustee or any Bondholder or Couponholder) not recoverable from such Subsidiary Guarantor on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Trustee on demand and (2) as a primary obligation to indemnify the Trustee, each Bondholder and each Couponholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under this Trust Deed, the Bonds or the Coupons not being paid on the date and otherwise in the manner specified in this Trust Deed or any payment obligation of the Issuer under this Trust Deed, the Bonds or the Coupons being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee, any Bondholder or any Couponholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.
- 6 Application of Moneys Received by the Trustee**
- 6.1 Declaration of Trust:** All moneys received by the Trustee in respect of the Bonds or Coupons or amounts payable under this Trust Deed will, despite any appropriation of all or part of them by the Issuer or the Subsidiary Guarantors (if any), be held by the Trustee on trust to apply them (subject to Clause 5.5 and Clause 6.2):

- firstly, in payment of all costs (including legal fees), charges, fees, expenses and liabilities properly incurred by the Trustee or any Appointee (including remuneration and indemnity payments payable to it) in carrying out its functions under this Trust Deed;
- secondly, in payment of all costs (including legal fees), charges, fees, expenses and liabilities properly incurred by the Paying Agents (including any remuneration and indemnity payments payable to them) in carrying out their respective functions under the Agency Agreement;
- thirdly, in payment of any amounts owing in respect of the Bonds or Coupons *pari passu* and rateably; and
- fourthly, in payment of any balance to the Issuer for itself or, if any moneys were received from any Subsidiary Guarantor and to the extent of such moneys, any such Subsidiary Guarantor.

If the Trustee holds any moneys in respect of Bonds or Coupons which have become void, the Trustee will hold them on these trusts.

- 6.2 Accumulation:** If the amount of the moneys at any time available for payment in respect of the Bonds under Clause 6.1 is less than 10 per cent. of the nominal amount of the Bonds then outstanding, the Trustee may, at its discretion, invest such moneys. The Trustee may retain such investments and accumulate the resulting income until the investments and the accumulations, together with any other funds for the time being under its control and available for such payment, amount to at least 10 per cent. of the nominal amount of the Bonds then outstanding and then such investments, accumulations and funds (after deduction of, or provision for, any applicable taxes) will be applied as specified in Clause 6.1.
- 6.3 Investment:** Moneys held by the Trustee may be invested in its name or under its control in any investments or other assets anywhere whether or not they produce income or deposited in its name or under its control at such bank or other financial institution in such currency as the Trustee may, in its absolute discretion, think fit. If that bank or institution is the Trustee or a subsidiary, holding or associated company of the Trustee, it need only account for an amount of interest equal to the standard amount of interest payable by it on such a deposit to an independent customer. The Trustee may at any time vary or transpose any such investments or assets or convert any moneys so deposited into any other currency, and will not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise.

## 7 Covenants

So long as any Bond is outstanding, the Issuer and each or any Subsidiary Guarantor (except as otherwise stated herein) will:

- 7.1 Books of Account:** keep, and procure that each of their respective Subsidiaries (if any) keeps, proper books of account and, at any time after an Event of Default or Potential Event of Default has occurred or if the Trustee reasonably believes that such an event has occurred, so far as permitted by applicable law, allow, and procure that each such Subsidiary will allow, the Trustee and anyone appointed by it to whom the Issuer, the Subsidiary Guarantors and/or the relevant Subsidiary has no reasonable objection, access to its books of account at all reasonable times during normal business hours;

- 7.2 Notice of Put Events and Events of Default:** notify the Trustee in writing immediately on becoming aware of the occurrence of any Change of Control, Change of Control Put Event, Event of Default or Potential Event of Default;
- 7.3 Ratings Change:** promptly to notify the Trustee upon becoming aware that the Bonds have been assigned a rating or that any of the ratings assigned to the Bonds have been, or will be, changed or withdrawn;
- 7.4 Information:** so far as permitted by applicable law, give or procure to be given to the Trustee such information as it reasonably requires to perform its functions;
- 7.5 Financial Statements etc.:** send to the Trustee at the time of their issue, and, in the case of annual financial statements in any event within four months of the end of each financial year, three copies in English of every balance sheet, profit and loss account, report or other notice, statement or circular issued, or which legally or contractually should be issued, to the members or creditors (or any class of them) of the Issuer or any Subsidiary Guarantor or any holding company thereof generally in their capacity as such;
- 7.6 Legal Opinions:** save in respect of the legal opinions referred to in Clause 7.7 procure the delivery of legal opinions addressed to the Trustee dated the date of such delivery, in form and content acceptable to the Trustee, from such legal advisers acceptable to the Trustee as to the laws of England on the date hereof or as to the laws of England and any other relevant jurisdiction on the date of any amendment to this Trust Deed;
- 7.7 Subsidiary Guarantor Legal Opinions:** procure the delivery of legal opinions addressed to the Trustee dated the date of such delivery, acceptable to the Trustee, *inter alia* as to the capacity and authority of any entity on the date that it is added as a Subsidiary Guarantor pursuant to this Trust Deed or the Conditions, and as to the legal, valid, binding and enforceable nature of the Guarantee provided by such Subsidiary Guarantor from such legal advisers acceptable to the Trustee as to the laws of England or any other relevant jurisdiction;
- 7.8 Certificate of directors:** send to the Trustee, within 14 days of its annual audited financial statements being made available to its members, and also within 14 days of any reasonable request by the Trustee a certificate of the Issuer or, as the case may be, a certificate of any relevant Subsidiary Guarantor signed by any two of its respective directors that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer or, as the case may be, the relevant Subsidiary Guarantor as at a date (the "**Certification Date**") not more than five days before the date of the certificate no Change of Control Put Event, Event of Default or Potential Event of Default or other breach of this Trust Deed had occurred since the Certification Date of the last such certificate or (if none) the date of this Trust Deed or, if such an event had occurred, giving details of it;
- 7.9 Notices to Bondholders:** send to the Trustee not less than three days before the date of publication the form of each notice to be given to Bondholders and, once given, two copies of each such notice, such notice to be in a form approved by the Trustee (such approval, unless so expressed, not to constitute approval for the purposes of section 21 of the FSMA of any such notice which is a communication within the meaning of section 21 of the FSMA);
- 7.10 Further Acts:** so far as permitted by applicable law, do such further things as may be necessary in the opinion of the Trustee to give effect to this Trust Deed;

- 7.11 Notice of late payment:** forthwith upon request by the Trustee give notice to the Bondholders of any unconditional payment to the Principal Paying Agent or the Trustee of any sum due in respect of the Bonds or the Coupons made after the due date for such payment;
- 7.12 Listing and Trading:** use all reasonable endeavours to maintain the listing of the Bonds on the official list of the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 and the trading of such Bonds on the Market but, if it is unable to do so, having used such endeavours, or if the maintenance of such listing or trading is agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the Bondholders would not be thereby materially prejudiced, instead use all reasonable endeavours to obtain and maintain a listing of the Bonds on another stock exchange and the admission to trading of the Bonds on another market, in each case approved in writing by the Trustee;
- 7.13 Change in Agents:** give at least 14 days' prior notice to the Bondholders of any future appointment, resignation or removal of a Paying Agent (other than an automatic termination of the appointment of a Paying Agent pursuant to the terms of the Paying Agency Agreement when such notice shall be given promptly upon the Issuer becoming aware of the same) or of any change by a Paying Agent of its specified office and not make any such appointment or removal without the Trustee's written approval;
- 7.14 Bonds held by Issuer etc.:** send to the Trustee as soon as practicable after being so requested by the Trustee a certificate of the Issuer or, as the case may be, any relevant Subsidiary Guarantor signed by any two of its respective directors stating the number of Bonds held at the date of such certificate by or on behalf of the Issuer or, as the case may be, any such relevant Subsidiary Guarantor or their respective Subsidiaries; and
- 7.15 Material Subsidiaries:** give to the Trustee at the same time as sending the certificate referred to in Clause 7.8 or within 14 days of a request by the Trustee, a certificate signed by two directors of the Issuer listing those Subsidiaries of the Issuer which as at the last day of the last financial year of the Issuer or as at the date specified in such request were Material Subsidiaries. In addition, the Issuer will send to the Trustee a certificate signed by two directors of the Issuer, as soon as practicable upon the occurrence thereof notifying the Trustee of the acquisition or disposal of any company or Person which becomes, or ceases to be, a Material Subsidiary.
- 7.16 Compliance with obligations:** The Issuer and each of the Subsidiary Guarantors (if any) covenants with the Trustee that it will comply with and perform and observe all the provisions of this Trust Deed which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the Subsidiary Guarantors (if any), the Bondholders and the Couponholders. The Trustee shall be entitled to enforce the obligations of the Issuer and the Guarantors under the Bonds and the Coupons as if the same were set out and contained in the Trust Deeds constituting the same, which shall be read and construed as one document with the Bonds and the Coupons. The Trustee shall hold the benefit of this covenant upon trust for itself and the Bondholders and the Couponholders according to its and their respective interests.

## 8 Remuneration and Indemnification of the Trustee

- 8.1 Normal Remuneration:** So long as any Bond is outstanding the Issuer will pay the Trustee as remuneration for its services as Trustee such sum on such dates in each case as they may from time to time agree in writing. Such remuneration will accrue from day to day from the date of this Trust Deed. However, if any payment to a Bondholder or Couponholder of moneys due in respect of any Bond or Coupon is improperly withheld or refused, such remuneration will again accrue as from the date of such withholding or refusal until payment to such Bondholder or Couponholder is duly made.
- 8.2 Extra Remuneration:** If an Event of Default or Potential Event of Default shall have occurred, the Issuer hereby agrees that the Trustee shall be entitled to be paid additional remuneration calculated at its normal hourly rates in force from time to time. In any other case, if the Trustee finds it expedient or necessary or is requested by the Issuer to undertake duties which they both agree to be of an exceptional nature or otherwise outside the scope of the Trustee's normal duties under this Trust Deed, the Issuer will pay such additional remuneration as they may agree (and which may be calculated by reference to the Trustee's normal hourly rates in force from time to time) or, failing agreement as to any of the matters in this sub-Clause (or as to such sums referred to in Clause 8.1), as determined by an independent financial institution or person (acting as an expert) selected by the Trustee and approved by the Issuer or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales. The expenses involved in such nomination and such financial institution's fee will be borne by the Issuer. The determination of such financial institution or person will be conclusive and binding on the Issuer, each or any Subsidiary Guarantor, the Trustee, the Bondholders and the Couponholders.
- 8.3 Expenses:** The Issuer will also on demand by the Trustee pay or discharge all fees, costs, charges, liabilities and expenses properly incurred by the Trustee in the preparation and execution of this Trust Deed and the performance of its functions under this Trust Deed including, but not limited to, legal and travelling expenses and any stamp, documentary or other taxes or duties paid by the Trustee in connection with any legal proceedings reasonably brought or contemplated by the Trustee against the Issuer or any Subsidiary Guarantor to enforce any provision of this Trust Deed, the Bonds or the Coupons. Such costs, charges, liabilities and expenses will:
- 8.3.1** in the case of payments made by the Trustee before such demand carry interest from the date of the demand at the rate equal to the Trustee's cost of funding on the date on which the Trustee made such payments; and
- 8.3.2** in other cases carry interest at such rate from 30 days after the date of the demand or (where the demand specifies that payment is to be made on an earlier date) from such earlier date.
- 8.4 Indemnity:** The Issuer and/or the Subsidiary Guarantors (if any) will on demand by the Trustee indemnify it in respect of Amounts or Claims paid or incurred by it in acting as trustee under this Trust Deed (including (1) any Agent/Delegate Liabilities and (2) in respect of disputing or defending any Amounts or Claims made against the Trustee or any Agent/Delegate Liabilities). The Issuer and/or the Subsidiary Guarantors, if any, will on demand by such agent or delegate indemnify it against such Agent/Delegate Liabilities. **"Amounts or Claims" are losses, liabilities, costs, fees, claims, actions, demands or expenses and "Agent/Delegate Liabilities" are Amounts or Claims which the Trustee is or would be obliged to pay or reimburse to any of its agents or delegates appointed pursuant to this Trust Deed.** The Contracts (Rights of Third Parties) Act 1999 applies to this Clause 8.4.



**8.5 Continuing Effect:** Clauses 8.3 and 8.4 will continue in full force and effect as regards the Trustee even if it no longer is Trustee.

**9 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000**

- 9.1 Advice:** The Trustee may act or rely on the opinion, confirmation, certificate or advice of, or information obtained from, any accountants, financial advisers, legal advisers, valuer, broker, financial institution or other expert and will not be responsible or liable to anyone for any loss occasioned by so acting or relying whether such advice is obtained by or addressed to the Issuer, the Trustee or any other person. Any such opinion, advice or information may be sent or obtained by email, letter, or fax and the Trustee will not be liable to anyone for acting in good faith on any opinion, advice or information purporting to be conveyed by such means even if it contains some error or is not authentic. The Trustee may rely without liability to Bondholders and Couponholders or any other person on any opinion, advice, report, confirmation or certificate or any advice of any accountants, financial advisers, legal advisers, valuer, broker, financial institution or any other expert, whether or not addressed to the Trustee and whether or not liability in relation thereto is limited by reference to a monetary cap, methodology or otherwise.
- 9.2 Trustee to Assume Performance:** The Trustee need not notify anyone of the execution of this Trust Deed or do anything to find out if an Event of Default or Potential Event of Default has occurred. Until it has actual knowledge or express notice to the contrary, the Trustee may assume that no such event has occurred and that the Issuer and the Subsidiary Guarantors, if any, are performing all their respective obligations under this Trust Deed, the Bonds and the Coupons.
- 9.3 Resolutions of Bondholders:** The Trustee will not be responsible for having acted in good faith on a resolution purporting: (i) to have been passed at a meeting of Bondholders in respect of which minutes have been made and signed, (ii) to be a Written Resolution made in accordance with paragraph 30 of Schedule 3 or (iii) to be in respect of any approval given by way of Electronic Consent even if it is later found that there was a defect in the constitution of the meeting or the passing of the resolution or that the resolution was not valid or binding on the Bondholders or Couponholders.
- 9.4 Certificate signed by directors:** If the Trustee, in the exercise of its functions, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate signed by any two directors of the Issuer or by any two directors of the relevant Subsidiary Guarantor (if any) as to that fact or to the effect that, in their opinion, that act is expedient and the Trustee need not call for further evidence and will not be responsible for any loss occasioned by acting on such a certificate.
- 9.5 Deposit of Documents:** The Trustee may appoint as custodian, on any terms, any bank or entity whose business includes the safe custody of documents or any lawyer or firm of lawyers believed by it to be of good repute and may deposit this Trust Deed and any other documents with such custodian and pay all sums due in respect thereof. The Trustee is not obliged to appoint a custodian of securities payable to bearer.
- 9.6 Discretion:** The Trustee will have absolute and uncontrolled discretion as to the exercise of its functions and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from their exercise or non-exercise.

- 9.7 Agents:** Whenever it considers it expedient in the interests of the Bondholders, the Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money).
- 9.8 Delegation:** Whenever it considers it expedient in the interests of the Bondholders, the Trustee may delegate to any person on any terms (including power to sub-delegate) all or any of its functions.
- 9.9 Nominees:** In relation to any asset held by it under this Trust Deed, the Trustee may appoint any person to act as its nominee on any terms.
- 9.10 Forged Bonds:** The Trustee will not be liable to the Issuer or any Subsidiary Guarantor or any Bondholder or Couponholder by reason of having accepted as valid or not having rejected any Bond or Coupon purporting to be such and later found to be forged or not authentic.
- 9.11 Confidentiality:** Unless ordered to do so by a court of competent jurisdiction the Trustee shall not be required to disclose to any Bondholder or Couponholder any confidential financial or other information made available to the Trustee by the Issuer or any Subsidiary Guarantor.
- 9.12 Determinations Conclusive:** As between itself and the Bondholders and Couponholders the Trustee may determine all questions and doubts arising in relation to any of the provisions of this Trust Deed. Such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive and shall bind the Trustee, the Bondholders and the Couponholders.
- 9.13 Currency Conversion:** Where it is necessary or desirable to convert any sum from one currency to another, it will (unless otherwise provided hereby or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer, the Subsidiary Guarantors, the Bondholders and the Couponholders.
- 9.14 Events of Default etc.:** The Trustee may determine whether or not an Event of Default or Potential Event of Default is in its opinion capable of remedy. Any such determination will be conclusive and binding on the Issuer, the Subsidiary Guarantors, the Bondholders and the Couponholders.
- 9.15 Payment for and Delivery of Bonds:** The Trustee will not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds, any exchange of Bonds or the delivery of Bonds to the persons entitled to them.
- 9.16 Bonds held by the Issuer etc.:** In the absence of knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate under Clause 7.14) that no Bonds are for the time being held by or on behalf of the Issuer, the Subsidiary Guarantors or their Subsidiaries, as the case may be.
- 9.17 Responsibility for agents etc.:** If the Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee appointed under this Clause (an "Appointee"), it will not have any obligation to supervise the Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or the misconduct or default of any substitute appointed by the Appointee.

- 9.18 Consequential Loss:** Notwithstanding any provision of this Trust Deed to the contrary, the Trustee shall not in any event be liable for indirect, punitive or consequential loss or special damages or other damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable, even if the Trustee has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.
- 9.19 Illegality:** Notwithstanding anything else contained in this Trust Deed, the Paying Agency Agreement or any related document, the Trustee may refrain from doing anything which would or might in its opinion be contrary to any law of any jurisdiction or any directive or regulation of any agency of any state or which would or might otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.
- 9.20 Certificates from Clearing Systems:** The Trustee may call for any certificate or other document issued by Euroclear or Clearstream, Luxembourg in relation to any matter. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular principal or nominal amount of the Bonds is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.
- 9.21 Not bound to act:** The Trustee shall not be bound to take any action, step or proceeding in connection with the Trust Deed or any obligations arising hereunder or under the Conditions or the Paying Agency Agreement or otherwise, including, without prejudice to the generality of the foregoing, forming any opinion or employing any financial adviser, unless it has been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities which may be properly incurred in connection with such action, step or proceeding and may demand prior to taking any such action that there be paid to it in advance such sums as it reasonably considers (without prejudice to any further demand) shall be sufficient so as to indemnify and/or secure and/or prefund it and, on such demand being made, the Issuer shall be obliged to make payment of all such sums in full.
- 9.22 Interests of Bondholders:** In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any proposed modification, waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of this Trust Deed or any proposed substitution in accordance with Clause 13.2 or any determination to be made by it under this Trust Deed), the Trustee shall have regard to the general interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders nor to circumstances particular to individual Bondholders (whatever their number) and, in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequences of any such exercise for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim from the Issuer or the Trustee, any indemnification or payment in respect of any tax arising in consequence of any such exercise for individual Bondholders. For the avoidance of doubt, the Trustee shall not at any time have regard to the interests of the holders of ordinary shares.

## 10 Trustee Liable for Gross Negligence

Section 1 of the Trustee Act 2000 shall not apply to any function of the Trustee, provided that if the Trustee fails to show the degree of care and diligence required of it as trustee, nothing in this Trust Deed shall relieve or indemnify it from or against any liability which would otherwise attach to it in respect of any gross negligence, willful default or fraud of which it may be guilty.

Where there are any inconsistencies between the Trustee Act 1925, the Trustee Act 2000 and the provisions of this Trust Deed, the provisions of this Trust Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Trust Deed shall constitute a restriction or exclusion for the purposes of that Act.

## 11 Waiver and Proof of Default

**11.1 Waiver:** The Trustee may, without the consent of the Bondholders or Couponholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the Bondholders will not be materially prejudiced thereby, waive or authorise, on such terms as seem expedient to it, any breach or proposed breach by the Issuer or any Subsidiary Guarantor of this Trust Deed or the Conditions or determine that an Event of Default or Potential Event of Default will not be treated as such provided that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 8. No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination will be binding on the Bondholders and the Couponholders and, if the Trustee so requires, will be notified to the Bondholders as soon as practicable.

**11.2 Proof of Default:** Proof that the Issuer or a Subsidiary Guarantor has failed to pay a sum due to the holder of any one Bond or Coupon will (unless the contrary be proved) be sufficient evidence that it has made the same default as regards all other Bonds or Coupons which are then payable.

## 12 Trustee not Precluded from Entering into Contracts

The Trustee and any other person, whether or not acting for itself, may acquire, hold or dispose of any Bond, Coupon or other security (or any interest therein) of the Issuer, any Subsidiary Guarantor or any other person, may enter into or be interested in any contract or transaction with any such person and may act on, or as depositary or agent for, any committee or body of holders of any securities of any such person in each case with the same rights as it would have had if the Trustee were not acting as Trustee and need not account for any profit.

### 13 Modification, Substitution, Release and Accession

**13.1 Modification:** The Trustee may agree without the consent of the Bondholders or Couponholders to any modification to this Trust Deed that is, in its opinion, of a formal, minor or technical nature or to correct a manifest error. The Trustee may also so agree to any modification to this Trust Deed which is in its opinion not materially prejudicial to the interests of the Bondholders, but such power does not extend to any such modification as is mentioned in the proviso to paragraph 2 of Schedule 3. Any such modification shall be binding on the Bondholders and Couponholders and, if the Trustee so requires it, such modifications shall be notified to the Bondholders as soon as practical by the Issuer.

#### 13.2 Substitution, Release and Accession:

**13.2.1** The Trustee may, without the consent of the Bondholders or Couponholders, agree to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or any Subsidiary Guarantor or its successor in business (the "Substituted Obligor") in place of the Issuer (or of any previous substitute under this sub-Clause) as the principal debtor under this Trust Deed, the Bonds and the Coupons and the Trustee may, without the consent of the Bondholders or Couponholders, agree to the substitution of any Subsidiary Guarantor's successor in business or any Subsidiary of the Subsidiary Guarantor or its successor in business (also a "Substituted Obligor") in place of such Subsidiary Guarantor (or any previous substitute under this sub-Clause) as the guarantor under this Trust Deed, the Bonds and the Coupons, in each case provided that:

- (i) a deed is executed or undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by this Trust Deed, the Bonds and the Coupons (with consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in this Trust Deed, the Bonds and the Coupons as the principal debtor in place of the Issuer or as a guarantor in place of the relevant Subsidiary Guarantor as the case may be;
- (ii) if the Substituted Obligor is subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the "Substituted Territory") other than the territory to the taxing jurisdiction of which (or to any such authority of or in which) the Issuer is subject generally (the "Issuer's Territory") or to which any Subsidiary Guarantor is subject generally (the "Subsidiary Guarantors' Territory"), the Substituted Obligor will (unless the Trustee otherwise agrees) give to the Trustee an undertaking satisfactory to the Trustee in terms corresponding to Condition 7 with the substitution for or addition to (as the case may be) the references in that Condition to the Issuer's Territory or any Subsidiary Guarantors' Territory as the case may be of references to the Substituted Territory whereupon the Trust Deed, the Bonds and the Coupons will be read accordingly;
- (iii) if any two directors of the Substituted Obligor certify that it will be solvent immediately after such substitution, the Trustee need not have regard to the Substituted Obligor's financial condition, profits or prospects or compare them with those of the Issuer or, if any, the relevant Subsidiary Guarantor;

- (iv) the Issuer procures the delivery of legal opinion(s) addressed to the Trustee dated the date of such delivery, acceptable to the Trustee, *inter alia* as to the capacity and authority of any entity on the date that it is added as the Substituted Obligor pursuant to this Trust Deed or the Conditions, and as to the legal, valid, binding and enforceable nature of its obligations under the Trust Deed, the Bonds and the Coupons or the Guarantee (as the case may be) from such legal advisers acceptable to the Trustee as to the laws of England and/or any other relevant jurisdiction;
- (v) the Issuer, the relevant Subsidiary Guarantor, if any, and the Substituted Obligor comply with such other requirements as the Trustee may direct in the interests of the Bondholders; and
- (vi) (unless the Issuer's successor in business or where relevant, the relevant Subsidiary Guarantor or its successor in business is the Substituted Obligor) the obligations of the Substituted Obligor under this Trust Deed, the Bonds and the Coupons are guaranteed by the Issuer or the relevant Subsidiary Guarantor (as the case may be) in the same terms (with consequential amendments as necessary) as the Guarantee (if any) to the Trustee's satisfaction.

**13.2.2** Release of Substituted Issuer or Substituted Subsidiary Guarantor: An agreement by the Trustee pursuant to this Clause 13.2 will, if so expressed, release the Issuer or the relevant Subsidiary Guarantor (or a previous substitute of any of them) from any or all of its obligations under this Trust Deed, the Bonds and the Coupons. Notice of the substitution will be given to the Bondholders within 14 days of the execution of such documents and compliance with such requirements.

**13.2.3** Completion of Substitution: On completion of the formalities set out in this Clause 13.2, the Substituted Obligor will be deemed to be named in this Trust Deed, the Bonds and the Coupons as the principal debtor in place of the Issuer (or of any previous substitute) or as a guarantor in place of the Subsidiary Guarantor (or of any previous substitute) as the case may be and this Trust Deed, the Bonds and the Coupons will be deemed to be amended as necessary to give effect to the substitution.

#### **14 Appointment, Retirement and Removal of the Trustee**

**14.1 Appointment:** Subject as provided in Clause 14.2, the Issuer has the power of appointing new trustees but no-one may be so appointed unless previously approved by an Extraordinary Resolution. A trust corporation will at all times be a Trustee and may be the sole Trustee. Any appointment of a new Trustee will be notified by the Issuer to the Bondholders as soon as practicable.

**14.2 Retirement and Removal:** Any Trustee may retire at any time on giving at least three months' written notice to the Issuer and, if any, the Subsidiary Guarantors without giving any reason or being responsible for any costs occasioned by such retirement and the Bondholders may by Extraordinary Resolution remove any Trustee provided that the retirement or removal of a sole trust corporation will not be effective until a trust corporation is appointed as successor Trustee. If a sole trust corporation gives notice of retirement or an Extraordinary Resolution is passed for its removal, the Issuer will use all reasonable endeavours to procure that another trust corporation be appointed as Trustee but if it fails to do so before the expiry of such three month notice period or within three months of the Extraordinary Resolution, the Trustee shall have the power to appoint a new Trustee.

**14.3 Co-Trustees:** The Trustee may, despite Clause 14.1, by written notice to the Issuer and, if any, the Subsidiary Guarantors appoint anyone to act as an additional Trustee jointly with the Trustee:

**14.3.1** if the Trustee considers the appointment to be in the interests of the Bondholders and/or the Couponholders;

**14.3.2** to conform with a legal requirement, restriction or condition in a jurisdiction in which a particular act is to be performed; or

**14.3.3** to obtain a judgment or to enforce a judgment or any provision of this Trust Deed in any jurisdiction.

Subject to the provisions of this Trust Deed the Trustee may confer on any person so appointed such functions as it thinks fit. The Trustee may by written notice to the Issuer, the Subsidiary Guarantors (if any) and that person remove that person. At the Trustee's request, the Issuer and the Subsidiary Guarantors (if any) will forthwith do all things as may be required to perfect such appointment or removal and each of them irrevocably appoints the Trustee as its attorney in its name and on its behalf to do so.

**14.4 Competence of a Majority of Trustees:** If there are more than two Trustees the majority of them will be competent to perform the Trustee's functions provided the majority includes a trust corporation.

**14.5 Merger:** A corporation into which the Trustee may be merged or converted, or any corporation with which the Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, shall, on the date when the merger, conversion or consolidation becomes effective and to the extent permitted by any applicable laws and subject to any requirements set out in this Trust Deed become the successor trustee under this Trust Deed without the execution or filing of any paper or any further act on the part of the parties to this Trust Deed, unless otherwise required by the Issuer or a Subsidiary Guarantor (if any) (as the case may be), and after the said effective date, all references in this Trust Deed to the Trustee shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion or consolidation shall immediately be given to the Issuer and the Subsidiary Guarantors (if any) by the Trustee.

## **15 Couponholders**

No notices need be given to Couponholders. They will be deemed to have notice of the contents of any notice given to Bondholders. Even if it has express notice to the contrary, in exercising any of its functions by reference to the interests of the Bondholders, the Trustee will assume that the holder of each Bond is the holder of all Coupons relating to it.

## **16 Currency Indemnity**

**16.1 Currency of Account and Payment:** Pounds sterling (the "Contractual Currency") is the sole currency of account and payment for all sums payable by the Issuer or any Subsidiary Guarantor under or in connection with this Trust Deed, the Bonds and the Coupons, including damages.

- 16.2 Extent of discharge:** An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or any Subsidiary Guarantor or otherwise), by the Trustee or any Bondholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or any Subsidiary Guarantor will only discharge the Issuer and such Subsidiary Guarantor to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).
- 16.3 Indemnity:** If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed, the Bonds or the Coupons, the Issuer failing whom, each or any Subsidiary Guarantor will indemnify it against any loss sustained by it as a result. In any event, the Issuer will indemnify the recipient against the cost of making any such purchase.
- 16.4 Indemnity separate:** The indemnities in this Clause 16 and in Clause 8.4 constitute separate and independent obligations from the other obligations in this Trust Deed, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Trustee and/or any Bondholder or Couponholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed, the Bonds and/or the Coupons or any other judgment or order.

## 17 Communications

Any communication shall be by letter, fax or electronic communication:

in the case of the Issuer, to it at:

Eros International Plc  
Fort Anne  
Douglas IM1 5PD  
Isle of Man

Tel no.: +44 (0) 20 7258 9909

Email: mark.carbeck@erosintl.com

Attention: Mark Carbeck, Chief Corporate and Strategy Officer

and in the case of the Trustee, to it at:

U.S. Bank Trustees Limited  
Fifth Floor  
125 Old Broad Street  
London EC2N 1AR

Fax no.: +44 207 365 2577

Email: mbs.relationship.management@usbank.com

Attention: MBS Relationship Management



Communications will take effect, in the case of a letter, when delivered, in the case of a fax, when the relevant delivery receipt is received by the sender or, in the case of an electronic communication when the relevant receipt of such communication being read is given, or where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such communication; provided that any communication which is received (or deemed to take effect in accordance with the foregoing) outside business hours or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place. Any communication delivered to any party under this Trust Deed which is to be sent by fax or electronic communication will be written legal evidence.

## **18 Further Issues**

**18.1 Supplemental Trust Deed:** If the Issuer issues further securities as provided in the Conditions, the Issuer and, if any, the Subsidiary Guarantors shall, before their issue, execute and deliver to the Trustee a deed supplemental to this Trust Deed containing such provisions (corresponding to any of the provisions of this Trust Deed) as the Trustee may require.

**18.2 Meetings of Bondholders:** If the Trustee so directs, Schedule 3 shall apply equally to Bondholders and to holders of any securities issued pursuant to the Conditions as if references in it to "Bonds" and "Bondholders" were also to such securities and their holders respectively.

## **19 Counterparts**

This Trust Deed and any Trust Deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Trust Deed or any Trust Deed supplemental hereto may enter into the same be executing and delivering a counterpart.

## **20 Governing Law and Jurisdiction**

**20.1 Governing Law:** This Trust Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

**20.2 Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Trust Deed, the Bonds or the Coupons and accordingly any legal action or proceedings arising out of or in connection with this Trust Deed, the Bonds or the Coupons ("Proceedings") may be brought in such courts. The Issuer and any Subsidiary Guarantor each irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in any such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Clause is for the benefit of each of the Trustee, the Bondholders and the Couponholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

**20.3 Service of Process:** Each of the Issuer and, if any, the Subsidiary Guarantors irrevocably appoints the Chief Financial Officer, at Eros International Plc, Group Headquarters, 13 Manchester Square, London W1U 3PP to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer or any Subsidiary Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in England each of the Issuer and, if any, the Subsidiary Guarantors irrevocably agrees to appoint a substitute process agent acceptable to the Trustee and shall immediately notify the Trustee of such appointment. Nothing shall affect the right to serve process in any other manner permitted by law.

**Schedule 1**  
**Form of Definitive Bond**

On the front: Denomination	ISIN	Series	Certif. No.
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**Eros International Plc**  
**(Incorporated with limited liability in the Isle of Man)**  
**£50,000,000**  
**6.50 per cent. Bonds due 2021**

This Bond forms part of a series designated as specified in the title (the "**Bonds**") of Eros International Plc (the "**Issuer**") constituted by the Trust Deed referred to on the reverse hereof. The Bonds are subject to, and have the benefit of, that Trust Deed and the terms and conditions (the "**Conditions**") set out on the reverse hereof.

This is to certify that the bearer of this Bond is entitled on 15 October 2021, or on such earlier date as the principal sum mentioned below may become repayable in accordance with the Conditions, to the principal sum of:

£50,000,000 (fifty million pounds sterling)

together with interest on such principal sum from and including 15 October 2014 at the rate of 6.50 per cent. per annum payable semi-annually in arrear on 15 April and 15 October in each year, subject to and in accordance with the Conditions.

This Bond shall not be valid or become obligatory for any purpose until authenticated by or on behalf of the Principal Paying Agent.

In witness whereof the Issuer has caused this Bond to be signed in facsimile on its behalf.

Dated [DATE]

**EROS INTERNATIONAL PLC**

.....

Name:

Director

**Certificate of Authentication**

This Bond is authenticated by or on behalf of the Principal Paying Agent.

**ELAVON FINANCIAL SERVICES LIMITED, UK BRANCH**

acting by two duly authorised attorneys as Principal Paying Agent

By:

By:

Authorised Signatory

For the purposes of authentication only without recourse, warranty or liability.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165G) AND 1287(a) OF THE INTERNAL REVENUE CODE.

On the back:

### Terms and Conditions

*The following are the terms and conditions substantially in the form to be endorsed on the Bonds in definitive form (if issued):*

The issue of sterling denominated 6.50 per cent. bonds due 2021 (the "**Bonds**") was authorised by a resolution of the board of directors of Eros International Plc (the "**Issuer**") passed on 24 September 2014. The Bonds are constituted by a trust deed (the "**Trust Deed**") dated 15 October 2014 (the "**Issue Date**") made between the Issuer and U.S. Bank Trustees Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Bonds (the "**Bondholders**"). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds and the coupons relating to them (the "**Coupons**"). Copies of the Trust Deed, and of the paying agency agreement (the "**Agency Agreement**") dated on or around the Issue Date relating to the Bonds between the Issuer, the Trustee and Elavon Financial Services Limited, UK Branch as the initial principal paying agent and any other paying agents named in it, are available for inspection during usual business hours at the principal office for the time being of the Trustee (presently at Fifth Floor, 125 Old Broad Street, London EC2N 1AR) and at the specified offices of the principal paying agent for the time being (the "**Principal Paying Agent**") and any other paying agents for the time being (the "**Paying Agents**", which expression shall include the Principal Paying Agent). The Bondholders and the holders of the Coupons (whether or not attached to the relevant Bonds) (the "**Couponholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

#### 1 Form, Denomination and Title

- (a) **Form and denomination:** The Bonds are serially numbered and in bearer form in the denomination of £100, each with Coupons attached on issue.
- (b) **Title:** Title to the Bonds and Coupons passes by delivery. The holder of any Bond or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

#### 2 Status and Subsidiary Guarantors

- (a) **Status:** The Bonds and Coupons constitute unconditional, unsubordinated and (subject to Condition 3(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds and the Coupons (and, if any, of the Subsidiary Guarantors (as defined below), from time to time, under any Guarantee) shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3(a), at all times rank at least equally with all its (or their respective, as the case may be) other present and future unsecured and unsubordinated obligations.

- (b) **Provision of a Guarantee:** Subject to the provisions of Conditions 2(d) and 3(a), any Subsidiary (as defined in Condition 3(i)) of the Issuer which becomes a Subsidiary Guarantor pursuant to Condition 2(c) below will unconditionally and irrevocably guarantee, on a joint and several basis, the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Bonds and the Coupons (any such Subsidiary, a "**Subsidiary Guarantor**", and each such obligation in that respect individually and/or collectively referred to as, a "**Guarantee**").
- (c) **Addition of Subsidiary Guarantors:** Without prejudice to Conditions 2(e) or 11(c), if (A) any Subsidiary of the Issuer becomes a borrower or provides a guarantee or indemnity, as the case may be, in respect of any Relevant Non-Indian Indebtedness (as defined in Condition 2(f)) or (B) any Non-Indian Subsidiary (as defined in Condition 3(i)) of the Issuer becomes a borrower or provides a guarantee or indemnity, as the case may be, in respect of any Relevant Indebtedness, subject in each case to Condition 2(e), the Issuer covenants that it shall procure that such Subsidiary shall at the same time as, or prior to the date of, becoming a borrower or giving such guarantee or indemnity provide a Guarantee in respect of the Trust Deed, the Bonds and the Coupons by procuring the delivery to the Trustee of a deed of accession substantially in the form scheduled to the Trust Deed or otherwise as the Trustee may agree to, duly executed and delivered, and relevant legal opinions in a form satisfactory to the Trustee having been delivered to the Trustee as it may require in accordance with the Trust Deed. The Issuer shall promptly provide advanced written notice to the Trustee of any proposed addition of such borrower or accession of such guarantor under or in respect of any Relevant Non-Indian Indebtedness and/or Relevant Indebtedness, as applicable. Notice of any addition of a Subsidiary Guarantor pursuant to this Condition 2(c) will promptly be given by the Issuer to the Bondholders in accordance with Condition 15.
- (d) **Release of Subsidiary Guarantors:** A Subsidiary Guarantor for the time being which is no longer a borrower, a guarantor or otherwise liable and is no longer required to provide a guarantee or indemnity in respect of (A) any Relevant Non Indian Indebtedness and/or (B) any Relevant Indebtedness shall be immediately, automatically and (subject always to Condition 2(c)) irrevocably released and relieved of all of its obligations under any Guarantee and all of its future obligations as a Subsidiary Guarantor under the Trust Deed without any prejudice to any obligations which may have accrued prior to that time upon the Issuer giving written notice to the Trustee signed by two directors of the Issuer to that effect upon which the Trustee may rely without liability to any person. Any such notice must also contain the following certifications to the Trustee:
- (i) that no Event of Default or Potential Event of Default is continuing or will result from the release of that Subsidiary Guarantor; and
  - (ii) that such Subsidiary Guarantor is not (or will cease to be simultaneously with such release) a borrower under or providing any guarantee or indemnity in respect of any Relevant Non-Indian Indebtedness (in the case of any Subsidiary of the Issuer) and/or any Relevant Indebtedness (in the case of any Non-Indian Subsidiary), as applicable.

Neither the Issuer nor any Subsidiary Guarantor will be required to execute or provide any other document or certification in relation to any release pursuant to this Condition 2(d) but, if the Issuer requests in writing, the Trustee shall enter into any documentation in relation to the release of any Subsidiary Guarantor which the Issuer reasonably considers to be necessary or desirable and in a form satisfactory to the Trustee to evidence the release of that Subsidiary Guarantor; provided that, the Trustee shall not be obliged to enter into any documentation which, in the sole opinion of the Trustee, would have the effect of:

- (A) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or
- (B) increasing the obligations or duties of the Trustee in the Trust Deed, the Agency Agreement, the Bonds or the Coupons.

If any Subsidiary of the Issuer released from providing a Guarantee as described above subsequently becomes a borrower or provides a guarantee or indemnity in respect of any Relevant Non-Indian Indebtedness (in the case of any Subsidiary of the Issuer) and/or any Relevant Indebtedness (in the case of any Non-Indian Subsidiary) at any time after such release, such Subsidiary will again be required to provide a Guarantee as described in Condition 2(c). Notice of any release of a Subsidiary Guarantor pursuant to this Condition 2(d) will promptly be given by the Issuer to the Bondholders in accordance with Condition 15.

- (e) **Limitation on Guarantees:** The obligation of the Issuer to procure the provision of a Guarantee from a relevant Subsidiary of it contained in Condition 2(c) shall not apply in circumstances where the relevant Subsidiary is for the time being prohibited by mandatory provisions of applicable law from providing a Guarantee with respect to the Bonds; *provided that*, (A) the Issuer has used all reasonable endeavours (without requiring the Issuer to procure any change in jurisdiction of incorporation of any such Subsidiary) to enable such Subsidiary to provide a Guarantee with respect to the Bonds not subject to any such prohibition and certifies such to the Trustee in a certificate signed by two directors and delivers a legal opinion to such effect satisfactory to the Trustee and (B) if such prohibition ceases to apply pursuant to applicable law, the Issuer shall promptly but in any event within 30 days thereof cause that Subsidiary to provide a Guarantee in respect of the Trust Deed, the Bonds and the Coupons in accordance with the provisions of Condition 2(c) applicable to it.

- (f) **Definitions:** In these Conditions:

**"Indian Rupee"** refers to the currency of the Republic of India;

**"Potential Event of Default"** means an event or circumstance that could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 8 or the Trust Deed become an Event of Default;

**"Relevant Indebtedness"** means any indebtedness which is in the form of, or represented or evidenced by, (A) acceptance under any Credit Facility and (B) bonds, notes, debentures, loan stock or other securities, including privately placed securities, in each case which for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured (including with respect to structures or contractual subordination), replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original banks, lenders, investors or institutions or other banks, lenders, investors or institutions or otherwise, with any alternative or further Relevant Indebtedness) but, in each case, not including any indebtedness owed to another member or members of the Group. Without limiting the generality of the foregoing, the term 'Relevant Indebtedness' shall include any agreement or deed (1) changing the maturity of any indebtedness incurred thereunder or contemplated thereby, (2) the addition or removal of borrowers or guarantors thereunder, (3) increasing or decreasing the amount of indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions of any of them; and

**"Relevant Non-Indian Indebtedness"** means any indebtedness which is in the form of, or represented or evidenced by, (A) acceptance under any Credit Facility of a Non-Indian Subsidiary (each as defined in Condition 3(i)) and (B) bonds, notes, debentures, loan stock or other securities, including privately placed securities, in each case which (x) are denominated in a currency other than Indian Rupees or are by their terms payable, or confer a right to receive payment, in any currency other than Indian Rupees, or are denominated or payable in Indian Rupees and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside India, and (y) for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured (including with respect to structures or contractual subordination), replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original banks, lenders, investors or institutions or other banks, lenders, investors or institutions or otherwise, with any alternative or further Relevant Non-Indian Indebtedness) but, in each case, not including any indebtedness owed to another member or members of the Group (as defined in Condition 3(i)). Without limiting the generality of the foregoing, the term 'Relevant Non-Indian Indebtedness' shall include any agreement or deed (1) changing the maturity of any indebtedness incurred thereunder or contemplated thereby, (2) the addition or removal of borrowers or guarantors thereunder, (3) increasing or decreasing the amount of indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions of any of them.



- (g) **Trustee not obliged to monitor:** The Trustee shall not be obliged to monitor compliance by the Issuer with Conditions 2(c), 2(d) or 2(e) and shall have no liability to any person for not doing so. The Trustee shall be entitled to rely, without liability to any person, on any certificate or notice of the Issuer provided under this Condition 2, and until it receives such notice shall assume that no other Subsidiary of the Issuer has become a borrower or provided a guarantee or an indemnity in respect of any Relevant Non-Indian Indebtedness and/or any Relevant Indebtedness.

### 3 Covenants and Undertakings

- (a) **Negative Pledge:** So long as any Bond or Coupon remains outstanding (as defined in the Trust Deed), neither the Issuer nor any Subsidiary Guarantor will, and each will ensure that none of its respective Non-Indian Subsidiaries or Non-Indian Finance Vehicles, if any, (each as defined in Condition 3(i)) will, create, assume or permit to subsist, as security for Debt of any Person, any Security other than any Permitted Security upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) without at the same time or prior thereto procuring that all amounts payable under the Bonds and the Coupons are secured equally and rateably with the Debt secured by such Security to the satisfaction of the Trustee or that such other Security is provided or such other arrangement (whether or not including the giving of Security) is made as either (i) the Trustee shall, in its absolute discretion, deem not materially less beneficial to the interests of the Bondholders or (ii) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.
- (b) **Financial Covenant (Leverage Ratio):** So long as any Bond or Coupon remains outstanding, the Issuer shall ensure that, as at and for the Measurement Period ending on each Reference Date (as defined in Condition 3(i)), the Leverage Ratio is less than 3.5 : 1.0.
- (c) **Financial Covenant (Fixed Charge Cover Ratio):** So long as any Bond or Coupon remains outstanding, the Issuer will not, and will not permit any Subsidiary of it to, directly or indirectly, incur any Debt, including Acquired Debt, or issue Preferred Stock; provided however, that the Issuer or any Subsidiary of it may incur Debt (including Acquired Debt) or issue Preferred Stock if, on the date of such Incurrence and after giving effect thereto on a pro forma basis, the Fixed Charge Cover Ratio would be equal to or greater than 2.0 : 1.0.

Notwithstanding the foregoing, this Condition 3(c) will not prohibit the Incurrence of any of the following Debt:

- (i) the Incurrence by the Issuer or any of its Subsidiaries of intercompany Debt between or among the Issuer or any of its other Subsidiaries; provided, however, that (A) any subsequent issuance or transfer of any Capital Stock which results in any such Subsidiary ceasing to be a Subsidiary of the Issuer and any such Debt thus being held by a Person other than the Issuer or any of its other Subsidiaries or any subsequent transfer of such Debt (other than to the Issuer or a Subsidiary of the Issuer), shall be deemed, in each case in respect of such Debt, to constitute the Incurrence of such Debt which was not permitted by this sub-paragraph (i) and (B) if the Issuer is the obligor in respect of such Debt, such Debt is unsecured and ranks *pari passu* with or is contractually subordinated to the Bonds;
- (ii) Debt under the Bonds (other than any Additional Bonds) and the Guarantee, if any, in respect of them;
- (iii) Debt, other than Debt described in sub-paragraphs (i), (ii), (iii), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi) and (xvii) of this paragraph, outstanding as of the Issue Date;
- (iv) Refinancing Debt described in sub-paragraph (iii) or this sub-paragraph (iv);
- (v) Hedging Obligations entered into in the ordinary course of business and including any such Hedging Obligations Incurred in connection with the issuance of the Bonds;
- (vi) Debt in respect of bid, performance, completion, surety or appeal bonds or guarantees of any of the foregoing, VAT Guarantees, or similar instruments, in each case given in the ordinary course of business (including the expansion of business into new territories);
- (vii) Debt in respect of workers' compensation claims and self-insurance obligations;
- (viii) Debt in respect of bankers' acceptances and letters of credit or similar credit transactions (including guarantees or indemnities related thereto) in the ordinary course of business including the expansion of business into new territories;
- (ix) Debt arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Debt is covered within five Business Days in the place where the account against which the cheque, draft or similar instrument is drawn is held;
- (x) Debt consisting of advance or extended payment terms in the ordinary course of business (including Trade Payables);
- (xi) Debt owed to banks or other financial institutions Incurred in the ordinary course of business of the Issuer and its Subsidiaries maintained with such banks or financial institutions and which arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Subsidiaries;
- (xii) the guarantee by the Issuer of Debt of any Subsidiary of the Issuer that was permitted to be Incurred by another provision of this Condition 3(c); provided that, if the Debt being guaranteed is subordinated in right of payment to the Bonds or the guarantee, if any, then such guarantee shall be subordinated to the same extent as the Debt guaranteed;

- (xiii) Debt of any other Person Incurred and outstanding on or prior to the date on which such other Person was acquired by the Issuer or a Subsidiary of the Issuer (the "**Acquiring Subsidiary**") (other than Debt Incurred in connection with, or in contemplation of, the transaction or series of related transactions pursuant to which such Person became a Subsidiary of the Issuer or was otherwise acquired by the Issuer or the Acquiring Subsidiary); provided, however, that on the date that such Person is acquired by the Issuer or the Acquiring Subsidiary, (A) such Person becomes a Subsidiary of the Issuer and (B) the Issuer would have been able to Incur such Debt pursuant to the first paragraph of this Condition 3(c);
- (xiv) Debt arising from agreements of the Issuer or a Subsidiary of it providing for indemnification, adjustment of purchase price or similar obligations, in each case Incurred or assumed in connection with the disposition of any business, assets or a Subsidiary of the Issuer other than Debt Incurred by any Person acquiring all or a portion of such business, assets or a Subsidiary of the Issuer for the purpose of financing such acquisition; provided that (A) such Debt is not reflected on the balance sheet of the Issuer or any Subsidiary of it (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on such balance sheet will not be deemed to be reflected on such balance sheet for purposes of this sub-paragraph (A)) and (B) the maximum assumable liability in respect of all such Debt shall at no time exceed the gross proceeds including non-cash proceeds (the fair market value of such non cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received by the Issuer and its Subsidiaries in connection with such disposition;
- (xv) Debt represented by Finance Leases entered into by the Issuer and its Subsidiaries in the ordinary course of business which does not exceed U.S.\$1,000,000 (or the foreign currency equivalent thereof) in the aggregate at any one time outstanding;
- (xvi) any Bond Refinancing Debt; and
- (xvii) additional Debt of the Issuer or any Subsidiary of the Issuer in an aggregate principal amount which does not exceed U.S.\$5,000,000 (or the foreign currency equivalent) at any time outstanding.

For the purposes of determining compliance with this covenant, in the event that an item of proposed Debt meets the criteria of more than one of the categories described in sub-paragraphs (i) through (xvii) above, or is entitled to be Incurred pursuant to the first paragraph of this Condition 3(c), the Issuer will be permitted to classify such item of Debt on the date of its Incurrence, or later reclassify all or a portion of such item of Debt, in any manner that complies with this Condition 3(c) except that any Debt Incurrence under sub-paragraph (i) through (xvii) of the second paragraph of this Condition 3(c) may not be reclassified as Incurred pursuant to the first paragraph of this Condition 3(c) unless it could have been so Incurred on the date of its Incurrence. The accrual of interest, the accretion or amortisation of original issue discount, the payment of interest on any Debt in the form of additional Debt with the same terms, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an Incurrence of Debt or an issuance of Disqualified Stock for purposes of this covenant; provided, in each such case, that the amount thereof is included in Consolidated Interest Expense of the Issuer as accrued. Notwithstanding any other provision of this Condition 3(c), the maximum amount of Debt that the Issuer or any Subsidiary of it may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations from time to time in exchange rates or currency values.

The amount of any Debt outstanding as of any date will be:

- (A) the accreted value of the Debt, in the case of any Debt issued with original issue discount;
- (B) in respect of Debt of another Person secured by Security on the assets of the specified Person, the lesser of:
  - (x) the fair market value of such asset at the date of determination; and
  - (y) the amount of the Debt of the other Person;
- (C) the greater of the liquidation preference or the maximum fixed redemption or repurchase price of the Disqualified Stock, in the case of Disqualified Stock; and
- (D) the principal amount of the Debt, in the case of any other Debt.

For purposes of the foregoing, the "maximum fixed redemption or repurchase price" of any Disqualified Stock that does not have a fixed redemption or repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed or repurchased on any date of determination

- (d) **Covenant Suspension:** If, on any date following the Issue Date, the Bonds have an investment grade rating from at least two Rating Agencies (as defined in Condition 5(c)) and no Event of Default or Potential Event of Default has occurred and is continuing (a "**Suspension Event**"), then, beginning on that day and continuing until such time, if any, at which the Bonds cease to have an investment grade rating from at least two of the Rating Agencies, the covenants contained in Condition 3(b) (*Financial Covenant (Leverage Ratio)*) and Condition 3(c) (*Financial Covenant (Fixed Charge Cover Ratio)*) will not apply. However such covenants will be reinstated and apply according to their respective terms as of and from the first day on which a Suspension Event ceases to be in effect. Such covenant will not, however, be of any effect with regard to actions of the Issuer properly taken in compliance with the provisions of the Trust Deed during the continuance of the Suspension Event.
- (e) **Merger, Consolidation and Sale of Substantially all Assets:** The Issuer shall not consolidate, merge or amalgamate with or into (whether or not the Issuer is the surviving corporation), or sell, assign or convey, transfer, lease, or otherwise dispose of, in one transaction or a series of transactions, all or substantially all of its assets (determined on a consolidated basis for it and its Subsidiaries) to, another Person, unless:
  - (i) the resulting, surviving or transferee Person, if other than the Issuer (the "**Successor**"), shall be a Person organised and existing under the laws of the Isle of Man or England & Wales or Australia or any member state of the European Union as of 1 January 2004 or any State of the United States and shall expressly assume, by a supplement to the Trust Deed, executed and delivered to the Trustee, in a form satisfactory to the Trustee, all the obligations of the Issuer in respect of the Bonds and Coupons and under the Trust Deed;
  - (ii) immediately after giving effect to such transaction (and treating any Debt which becomes an obligation of the Issuer or the Successor, as applicable, or any Subsidiary of the Issuer or the Successor, as the case may be, as a result of such transaction as having been Incurred by the Issuer or the Successor or such Subsidiary at the time of such transaction) no Event of Default or Potential Event of Default (as defined in Condition 2(f)) shall have occurred and be continuing;

- (iii) immediately after giving effect to such transaction (and treating any Debt which becomes an obligation of the Issuer or the Successor, as applicable, or any Subsidiary of the Issuer or the Successor, as the case may be, as a result of such transaction as having been Incurred by the Issuer or the Successor or such Subsidiary at the time of such transaction), the Issuer or, as the case may be, the Successor could Incur at least £1 of additional Debt pursuant to the first paragraph of the covenant in Condition 3(c) (*Financial Covenant (Fixed Charge Coverage Ratio)*); and
- (iv) the Issuer shall have first delivered to the Trustee (x) a certificate signed by two directors of the Issuer stating that such consolidation, merger, amalgamation or sale, assignment, conveyance, transfer, lease or other disposition and such supplement to the Trust Deed (if any) comply with the provisions of this Condition 3(e) and (y) an opinion(s) of independent legal advisers of recognised standing as to all relevant laws in a form(s) satisfactory to the Trustee and opining as to the matters referred to in (x) above.

The Successor shall succeed to, and be substituted for and may exercise every right and power of, the Issuer under the Trust Deed. Except in the case of a lease, the Issuer shall be relieved of all obligations and covenants under the Trust Deed and the Bonds.

Nothing contained in the foregoing restrictions on merger, consolidation, amalgamation and asset transfers shall prohibit any Subsidiary of the Issuer from consolidating or amalgamating with, merging with or into, or transferring all or part of its properties and assets to the Issuer or another Subsidiary of the Issuer provided that, after giving effect to any such merger, consolidation, amalgamation or asset transfer, no Event of Default or Potential Event of Default shall have occurred and be continuing or would result therefrom.

- (f) **Financial Information Reporting:** As soon as they may become available, (i) but in any event within four months of its most recent financial year-end, the Issuer shall send to the Trustee a copy of its audited annual Consolidated Financial Statements for such financial year, together with the report thereon of the Issuer's independent auditors and (ii) within two months of each Reference Date other than the Issuer's financial year-end date, the Issuer shall send to the Trustee a copy of its unaudited interim Consolidated Financial Statements for such semi-annual or quarterly period, as the case may be.
- (g) **Compliance Certificate:** The Issuer shall, concurrently with the delivery of each of the annual, semi-annual and quarterly Consolidated Financial Statements referred to in Condition 3(f) and within 14 days of any request by the Trustee, provide to the Trustee a certificate signed by two directors of the Issuer confirming compliance with the covenants contained in Conditions 3(b) and 3(c) with respect to the most recent Reference Date.
- (h) **Trustee not obliged to Monitor:** The Trustee shall be under no obligation to monitor compliance by the Issuer with any of the covenants, restrictions or provisions set out in this Condition 3 and shall have no liability to any person as a result of any failure to monitor such compliance. The Trustee shall be entitled to rely without liability to any person and without further enquiry on a certificate provided by the Issuer pursuant to Condition 3(g) above as to compliance or non compliance (as the case may be) with such covenants as aforesaid.

(i) **Definitions:** In these Conditions:

**"Acquired Debt"** means Debt of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of the Issuer, whether or not such Debt is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, the Issuer;

**"Additional Bonds"** means any further securities issued at any time as described in Condition 14 and forming a single series with the Bonds;

**"Average Life"** means, as of the date of determination, with respect to any Debt, the quotient obtained by dividing (x) the sum of the products of (a) the numbers of years from the date of determination to the date of each successive scheduled principal payment of such Debt or scheduled redemption, multiplied by (b) the amount of such payment, by (y) the sum of all such payments;

**"Bond Refinancing Debt"** means Debt Incurred by the Issuer or a Subsidiary of it where the Issuer gives notice to the Trustee not later than 15 days after the Incurrence of such Debt that such Debt is intended to be utilised to refinance (as defined in the definition of Refinancing Debt) any Eurobond outstanding on the date of that Incurrence, provided that:

- (i) the notice to the Trustee shall specify the Eurobond which is intended to be so refinanced (the **"Designated Debt"**);
- (ii) the Bond Refinancing Debt has a Stated Maturity no earlier than the Stated Maturity of the Designated Debt;
- (iii) the Bond Refinancing Debt is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of:
  - (A) the aggregate principal amount (or, if issued with original issue discount, the aggregate accreted value) of the Designated Debt; plus
  - (B) unpaid interest, prepayment penalties, redemption or repurchase premiums, defeasance costs, fees, expenses and other amounts owing with respect thereto, plus reasonable financing fees and other reasonable out-of-pocket expenses incurred in connection therewith;

(for the avoidance of doubt, the Bond Refinancing Debt may be part of a larger Incurrence of Debt provided that there is compliance with the provisions of Condition 3(c) (*Financial Covenant (Fixed Charge Coverage Ratio)*);

**"Business Day"** means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place;

**"Capital Stock"** of any Person means any and all shares, interests, participations or other equivalents of or interests (including partnership interests) in (however designated) equity of such Person, including any Preferred Stock, and all rights to purchase, warrants, options or other equivalents with respect to any of the foregoing, but excluding any debt securities convertible into or exchangeable for such equity;

**"Consolidated Adjusted EBITDA"** means the consolidated profit before taxation of the relevant Person for a period, adjusted by:

- (i) adding back Consolidated Interest Expense and depreciation and amortisation (excluding amortisation of capitalised film content and debt issuance costs) for such period;
- (ii) excluding any exceptional items, and any amount attributable to minority interests for such period;
- (iii) adding back any non-cash charges by virtue of IAS 19 (Employee benefits); and
- (iv) further adjusted for impairments of available-for-sale financial assets, profit or loss on held for trading liabilities (including profit or loss on derivatives), transaction costs related to equity transactions, and share based payments.

**"Consolidated Financial Statements"** means the Issuer's audited annual consolidated financial statements or its unaudited semi-annual or quarterly financial statements, as the case may be, including the relevant accounting policies and notes to the accounts and in each case prepared in accordance with IFRS from time to time (and if there has been an change in the accounting policies since the Issue Date, the Consolidated Financial Statements shall be accompanied by a description of any change necessary for 'Operating profit' to reflect the same under IFRS as at the Issue Date);

**"Consolidated Interest Expense"** means, with respect to a Person for any period, the sum, without duplication, of:

- (i) the consolidated finance cost of such Person and its Subsidiaries for such period, whether paid or accrued, including, without limitation, amortisation of original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Finance Leases, commissions, discounts and other fees and charges in respect of letters of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in accordance with IFRS but excluding any gain or loss that would be reflected in consolidated interest expense as a result of purchases of Debt by way of tender or open market purchases; plus
- (ii) the consolidated finance cost of such Person and its Subsidiaries that was capitalised during such period; plus
- (iii) any finance cost (in respect of the Relevant Secured Debt Amount in the case of (B)) on Debt of another Person that is (A) guaranteed by such Person or any of its Subsidiaries or (B) secured by Security on assets of such Person or any of its Subsidiaries, in each case whether or not such guarantee or Security is called upon, plus:

- (iv) any dividend payments, whether in cash or otherwise, on any Preferred Stock of such Person or any of its Subsidiaries other than:
  - (A) dividend payments paid solely in Capital Stock (other than Disqualified Stock or options, warrants or rights to acquire Disqualified Stock); or
  - (B) to such Person or any of its Subsidiaries; but deducting
- (v) any finance cost attributable to minority interests for such period;

**"Consolidated Operating Profit"** means, with respect of the Group for any period, 'Operating profit' for the Group as shown in the income statement of the Consolidated Financial Statements for such period;

**"Credit Facility" or "Credit Facilities"** means one or more debt facilities or other financing arrangements (including, without limitation, commercial paper facilities or indentures) (in each case, whether drawn or otherwise) providing for revolving credit loans, term loans, notes or letters of credit together with any related documents thereto (including, without limitation, any guarantee agreements and security documents), in each case as such agreement may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreements extending the maturity of, refinancing, replacing (whether or not contemporaneously) or otherwise restructuring (including increasing the amount of available borrowings thereunder (provided that, for the avoidance of doubt, such increase in borrowings is permitted by the covenant described under Condition 3(b) (*Financial Covenant (Fixed Charge Coverage Ratio)*))) all or any portion of the Debt under such agreement or any successor or replacement agreements and whether by the same or any other agent, lender or group of lenders or investors and whether such refinancing or replacement is under one or more debt facilities or commercial paper facilities, indentures or other agreements or deeds, in each case with banks or other institutional lenders or trustees or investors providing for revolving credit loans, term loans, notes or letters of credit;

**"Currency Exchange Protection Agreement"** means, in respect of any Person, any foreign exchange contract, currency swap agreement, currency option or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates;

**"Debt"** means, with respect to any Person on any date of determination (without duplication):

- (i) the principal of and any premium in respect of:
  - (A) Debt of such Person for monies borrowed; and
  - (B) Debt evidenced by bonds, notes, debentures, loan stock or other similar instruments for the payment of which such Person is responsible or liable;
- (ii) all Finance Leases of such Person;
- (iii) all the principal of all moneys owing in connection with the sale or discounting of receivables (otherwise than on a non-recourse basis);



- (iv) the principal of any Debt arising from any deferred payment agreements arranged primarily as a method of raising finance or financing the acquisition of an asset and where the deferred and unpaid purchase price of such asset is due more than six months after acquisition thereof;
- (v) all obligations of such Person in respect of bid, performance, advanced payment, completion, surety or appeal bonds or guarantees or counter indemnities of any of the foregoing, VAT Guarantees or similar instruments and all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (including guarantees or indemnities related thereto);
- (vi) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of such Person (but excluding, in each case, any accrued dividends);
- (vii) all obligations of the type referred to in sub-paragraphs (i) through (vi) of other Persons and all dividends of other Persons for, the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee;
- (viii) all obligations of the type referred to in sub-paragraphs (i) through (vi) of other Persons secured by any Security on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured (the "Relevant Secured Debt Amount"); and
- (ix) to the extent not otherwise included in this definition, Hedging Obligations of such Person;

**"Designated Debt"** has the meaning given in the definition of Bond Refinancing Debt;

**"Disqualified Stock"**, with respect to any Person, means any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

- (i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise prior to the stated maturity of the Bonds;
- (ii) is convertible or exchangeable at the option of the holder for Debt or Disqualified Stock; or
- (iii) is mandatorily redeemable or must be purchased, upon the occurrence of certain events or otherwise, in whole or in part, in each case on or prior to the first anniversary of the Stated Maturity of the Bonds,

and any Preferred Stock of a Subsidiary of the Issuer, provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require the Issuer or a Subsidiary of it to purchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the Stated Maturity of the Bonds shall not constitute Disqualified Stock if:

- (A) the "change of control" provisions applicable to such Capital Stock are not more favourable to the holders of such Capital Stock than the terms applicable to the Bonds and described under Condition 5(c); and
- (B) any such requirement only becomes operative after compliance with such terms applicable to the Bonds, including the redemption or purchase of any Bonds tendered pursuant thereto.

If Capital Stock is issued to any plan for the benefit of directors, officers or employees of the Issuer or any of its Subsidiaries or by any such plan to such directors, officers or employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or any Subsidiary of it in order to satisfy applicable statutory or regulatory obligations;

**"Eurobond"** means any Debt Incurred by the Issuer or a Subsidiary of it and evidenced by bonds (including the Bonds and any Additional Bonds), notes, debentures, loan stock or other similar transferable securities;

**"Finance Lease"** means an obligation that is required to be classified and accounted for as a capital or finance lease for financial reporting purposes in accordance with IFRS and the amount of Debt represented by such obligation shall be the capitalised amount of such obligation determined in accordance with IFRS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease;

**"Fixed Charge Coverage Ratio"** as of any date of determination (the "Transaction Date") means the ratio of (x) the aggregate amount of Consolidated Adjusted EBITDA of the Issuer and its Subsidiaries for the most recent Measurement Period to (y) Consolidated Interest Expense of the Issuer and its Subsidiaries for such Measurement Period; provided that:

- (i) if the Issuer or any Subsidiary of it has Incurred any Debt (other than revolving credit borrowings) since the beginning of such period that remains outstanding on such Transaction Date or if the transaction giving rise to the need to calculate the Fixed Charge Coverage Ratio is an Incurrence of Debt, or both, Consolidated Adjusted EBITDA and Consolidated Interest Expense of the Issuer and its Subsidiaries for such period shall be calculated after giving effect on a pro forma basis to (i) such Debt as if such Debt had been Incurred on the first day of such period and (ii) the discharge of any other Debt repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Debt as if such discharge had occurred on the first day of such period;
- (ii) if the Issuer or any Subsidiary of it has repaid, repurchased, defeased or otherwise discharged any Debt since the beginning of such period or if any Debt is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Debt Incurred under any revolving credit facility unless such Debt has been permanently repaid and has not been replaced) on the Transaction Date, Consolidated Adjusted EBITDA and Consolidated Interest Expense of the Issuer and its Subsidiaries for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if the Issuer or such Subsidiary had not earned the interest income actually earned during such period in respect of cash or cash equivalents used to repay, repurchase, defease or otherwise discharge such Debt;

- (iv) if, since the beginning of such period, the Issuer or any Subsidiary of it shall have made any asset disposition, the Consolidated Adjusted EBITDA of the Issuer and its Subsidiaries for such period shall be reduced by an amount equal to the Consolidated Adjusted EBITDA (if positive) of the Issuer and its Subsidiaries directly attributable to the assets which are the subject of such asset disposition for such period or increased by an amount equal to the Consolidated Adjusted EBITDA (if negative) of the Issuer and its Subsidiaries directly attributable thereto for such period and Consolidated Interest Expense of the Issuer and its Subsidiaries for such period shall be reduced by an amount equal to the Consolidated Interest Expense of the Issuer and its Subsidiaries directly attributable to any Debt of the Issuer or any Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and its continuing Subsidiaries in connection with such asset disposition for such period (or, if the Capital Stock of any Subsidiary of it is sold, the Consolidated Interest Expense of the Issuer and its Subsidiaries for such period directly attributable to the Debt of such Subsidiary to the extent the Issuer and its continuing Subsidiaries are no longer liable for such Debt after such sale);
- (v) if since the beginning of such period the Issuer or any Subsidiary of it shall have made an investment in any Subsidiary of it (or any Person who becomes a Subsidiary of the Issuer) or an acquisition of assets, including cash equivalents and any acquisition of assets occurring in connection with a transaction giving rise to the need to calculate the Fixed Charge Coverage Ratio, Consolidated Adjusted EBITDA and Consolidated Interest Expense of the Issuer and its Subsidiaries for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Debt in accordance with sub-paragraph (i) above and the increase to the Consolidated Adjusted EBITDA (if positive) of the Issuer and its Subsidiaries directly attributable to such investment or acquisition or a reduction of the Consolidated Adjusted EBITDA (if negative) of the Issuer and its Subsidiaries directly attributable to such investment or acquisition) as if such investment or acquisition occurred on the first day of such period; and
- (vi) if since the beginning of such period any person that subsequently became a Subsidiary of the Issuer or was merged with or into the Issuer or any Subsidiary of it since the beginning of such period shall have made any asset disposition, investment or acquisition of assets that would require an adjustment pursuant to sub-paragraph (iii) or (iv) above if made by the Issuer or a Subsidiary of it during such period. Consolidated Adjusted EBITDA and Consolidated Interest Expense of the Issuer and its Subsidiaries for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Debt in accordance with sub paragraph (i) above) as if such investment or acquisition occurred on the first day of such period.

For purposes of this definition of Fixed Charge Cover Ratio, whenever *pro forma* effect is to be given to an investment or an acquisition or disposition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Debt Incurred or repaid, repurchased, defeased or otherwise discharged in connection therewith, the *pro forma* calculations shall be determined in good faith by a responsible financial or accounting officer of the Issuer. If any Debt bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Debt shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Debt if such Hedging Obligation has a remaining term as at the Transaction Date in excess of 12 months);

**"Group"** means the Issuer and its Subsidiaries taken as a whole;

**"Hedging Obligations"** of any Person means the obligations of such Person pursuant to any Interest Rate Protection Agreement or Currency Exchange Protection Agreement or other similar agreement or arrangement involving interest **rates, currencies, commodities or otherwise**;

**"IFRS"** means International Financial Reporting Standards issued and/or adopted by the International Accounting Standards Board from time to time to the extent applicable to the relevant financial statements;

**"Incur"** means, with respect to any Debt or other obligation, to incur (including by conversion, exchange or otherwise), create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Debt, including, for the avoidance of doubt, by acquisition of Subsidiaries or by the acquisition of any asset securing any Debt (and **"Incurrence"**,

**"Incurred"** and **"Incurring"** shall have meanings correlative to the foregoing);

**"Interest Rate Protection Agreement"** means, in respect of any Person, any interest rate swap agreement, interest rate option agreement, interest rate cap agreement, interest rate collar agreement, interest rate floor agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in interest rates;

**"Leverage Ratio"** means the ratio of Debt of the Eros India Group to Consolidated Operating Profit of the Group, where **"Debt of the Eros India Group"** means the aggregate of all Debt of Eros International Media Limited (India) and its Subsidiaries taken as a whole (other than Debt owed to another member of the Group) at the relevant time;

**"Measurement Period"** means the most recently ended four fiscal quarters for which Consolidated Financial Statements or management accounts of the Issuer are available;

**"Minimum Rating"** means a credit rating of either "A-1" or higher by S&P or "F1" or higher by Fitch or "P-1" or higher by Moody's (each as defined in Condition 5(c));

**"Non-Indian Finance Vehicle"** means any Person, whether or not owned, in whole or part, by the Issuer or any other member of the Group, (A) established for the purpose of and engaged exclusively in the business of Incurring Debt, guaranteed by the Issuer or any other member of the Group and loaning the proceeds thereof to any Subsidiary of the Issuer which is incorporated in India, (B) whose only material liabilities are the Debt so Incurred by it from time to time and whose only material assets are such loans made by it from time to time and (C) who is not incorporated in India;

**"Non-Indian Subsidiary"** means a Subsidiary of the Issuer which is not incorporated in India;

**"Permitted Security"** means:

- (i) any Security existing at the Issue Date or arising from contractual commitments existing as at the Issue Date, provided that the principal amount secured by such Security has not been increased since the Issue Date;
- (ii) any Security on assets acquired by the Issuer or a Non-Indian Subsidiary member of the Group after the Issue Date provided that (a) any such Security is in existence prior to the contemplation of such acquisition and (b) the amount secured by such Security does not exceed, at any time, the amount secured thereby as at the date of acquisition;
- (iii) any Security on assets of a company which becomes a Non-Indian Subsidiary member of the Group after the Issue Date provided that (a) any such Security is in existence prior to the contemplation of such company becoming a Non-Indian Subsidiary member of the Group and (b) the amount secured by such Security does not exceed, at any time, the amount secured thereby as at the date such company becomes a Non-Indian Subsidiary member of the Group;
- (iv) any Security created for the purpose of securing a counter-indemnity or any other obligations provided by any Non-Indian Subsidiary member of the Group in connection with the issuance of any performance bonds, advance payment bonds or documentary letters of credit arising in the ordinary course of its business;
- (v) any Security imposed by mandatory provisions of applicable law, including under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related to obligations (including pledges and deposits securing liability to insurance carriers under insurance or self-insurance arrangements);
- (vi) any Security securing Hedging Obligations so long as the related Debt is, and is permitted to be incurred under these Conditions, secured by Security on the same property securing the Hedging Obligations;
- (vii) Security on property or assets under construction (and related rights) in favour of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;
- (viii) Security arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the same of goods entered into in the ordinary course of business;

- (ix) any Security relating to banker's right of set-off, right to combine accounts or any analogous right which any bank or other financial institution may have relating to any credit balance, deposit accounts or other funds of the Issuer or any of its Non-Indian Subsidiaries;
- (x) any Security created as security for any Debt Incurred solely for the purpose of any extension of maturity, renewal or refinancing of any indebtedness secured by Security permitted by (i) to (ix) above; and
- (xi) any Security created as security for any Debt not covered by paragraphs (i) through (x) provided that the aggregate principal amount of all Debt secured by any such Security does not, on the date of creation of the latest such Security or, as the case may be, the assumption of any such additional Debt, exceed U.S.\$5,000,000 (or the foreign currency equivalent thereof).

**"Person"** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company trust, unincorporated organisation, government or any agency or political subdivision thereof or any other entity;

**"Preferred Stock"**, as applied to the Capital Stock of any corporation, means Capital Stock of any series (however designated) which matures before 15 October 2021 and which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other series of such corporation;

**"Reference Date"** means such annual, semi-annual or quarterly date or dates, as the case may be, at which the Issuer prepares its audited annual Consolidated Financial Statements or its unaudited semi-annual or quarterly, as the case may be, Consolidated Financial Statements, and, as at the Issue Date, those Reference Dates are 31 March, 30 June, 30 September and 31 December in each year;

**"Refinancing Debt"** means Debt that refunds, refinances, replaces, renews, repays or extends (including pursuant to any defeasance or discharge mechanism) (collectively, "**refinances**" and "**refinance**" and "**refinanced**" shall each have a correlative meaning) already existing Debt; provided that, except in the case of Debt that refinances all of the outstanding Bonds (including upon redemption or purchase pursuant to Condition 5(e)):

- (i) the Refinancing Debt has a Stated Maturity no earlier than any Stated Maturity of the Debt being refinanced;
- (ii) the Refinancing Debt has an Average Life at the time such Refinancing Debt is Incurred that is equal to or greater than the Average Life of the Debt being refinanced; and
- (iii) such Refinancing Debt is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of:

- (A) the aggregate principal amount (or, if issued with original issue discount, the aggregate accreted value) of the Debt being refinanced (including, with respect to both the Refinancing Debt and the Debt being refinanced, amounts then outstanding and amounts available thereunder); plus
- (B) unpaid interest, prepayment penalties, redemption or repurchase premiums, defeasance costs, fees, expenses and other amounts owing with respect thereto, plus reasonable financing fees and other reasonable out-of-pocket expenses incurred in connection therewith;

**"Relevant Secured Debt Amount"** has the meaning given to that term in the definition of "Debt";

**"Security"** means any mortgage, charge, pledge, lien or other security interest or encumbrance other than an encumbrance arising solely by operation of law; and, for the avoidance of doubt, any contractual rights of set-off of accounts or combination of accounts shall not be or be deemed to be Security;

**"Stated Maturity"** means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the redemption or repurchase of such security upon the happening of any contingency);

**"Subsidiary"** of any Person means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of such Person;

**"Trade Payables"** means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services; and

**"VAT Guarantee"** means a guarantee in respect of value-added tax.

#### 4 Interest

The Bonds bear interest from and including the Issue Date at the rate of 6.50 per cent. per annum, payable semi-annually in arrear in equal instalments of £3.25 per £100 nominal amount of the Bonds on 15 April and 15 October in each year (each, an **"Interest Payment Date"**). Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event the relevant Bond shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder and (b) the day seven days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions.

If interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by two times the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

The period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an **"Interest Period"**.

Interest in respect of any Bond shall be calculated per £100 in nominal amount of the Bonds. The amount of interest payable per £100 for any period shall, save as provided above in relation to equal instalments, be equal to the product of 6.50 per cent., £100 and the day-count fraction for the relevant period, rounding the resulting figure to the nearest penny (half a pence being rounded upwards).

## 5 Redemption and Purchase

- (a) **Final redemption:** Unless previously redeemed or purchased and cancelled the Bonds will be redeemed at their nominal amount on 15 October 2021. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 5.
- (b) **Redemption for taxation reasons:** The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 15 (which notice shall be irrevocable), at their nominal amount, (together with interest accrued to but excluding the date fixed for redemption), if (i) the Issuer (or a Subsidiary Guarantor) satisfies the Trustee immediately prior to the giving of such notice that it has or will (or, in the case of a Subsidiary Guarantor, if its Guarantee were called) become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a relevant Tax Jurisdiction (as defined below), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer (or the Subsidiary Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Subsidiary Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Bonds (or a Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer (or the Subsidiary Guarantor, as the case may be) shall deliver to the Trustee a certificate signed by two of its directors stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the Subsidiary Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall without liability to any person accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on the Bondholders and the Couponholders.

In these Conditions, "Tax Jurisdiction" means, in the case of the Issuer, the Isle of Man or any political division or authority therein or thereof having power to tax and, in the case of any Subsidiary Guarantor, any jurisdiction under the laws of which that Subsidiary Guarantor for the time being is treated as being resident for tax purposes, or any political division or authority therein or thereof having power to tax.



- (c) **Redemption at the option of Bondholders following a Change of Control Put Event:** A Change of Control Put Event will be deemed to occur if:
- (i) either (x) Mr Kishore Lulla and his family cease to be discretionary beneficiaries of Beech Investments Limited or (y) Beech Investments Limited ceases to control the Issuer ("**control**" for this purpose means the power or the ability to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise) (each such event being, a "**Change of Control**"); and
  - (ii) on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Bonds carry:
    - (A) an investment grade credit rating (Baa3/BBB-, or their respective equivalents, or better), from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or at its own volition and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (Ba1/BB+, or their respective equivalents, or worse) (a "**Non Investment Grade Rating**") or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency; or
    - (B) a Non-Investment Grade Rating from any Rating Agency whether provided by such Rating Agency at the invitation of the Issuer or at its own volition and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (from Ba1 to Ba2 or such similar lowering) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency; or
    - (C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,provided that if at the time of the occurrence of the Change of Control the Bonds carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then sub paragraph (A) will apply; and
  - (iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (A) and (B) *above* or not to award a credit rating of at least investment grade as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

If a Change of Control Put Event occurs, the holder of each Bond will have the option (a **"Change of Control Put Option"**) (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 5(b) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Bond on the date (the **"Change of Control Put Date"**) which is seven days after the expiration of the Change of Control Put Period (as defined below) at its nominal amount together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Change of Control Put Date.

Promptly upon, and in any event within 14 days after, the Issuer becoming aware that a Change of Control Put Event has occurred the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-fifth in nominal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of the Bondholders, shall, (subject in each case to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction) give notice (a **"Change of Control Put Event Notice"**) to the Bondholders in accordance with Condition 15 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of the Bond must deposit such Bond with any Paying Agent at its specified office at any time during normal business hours of such Paying Agent falling within the period (the **"Change of Control Put Period"**) of 30 days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **"Change of Control Put Notice"**). No Bond so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bonds on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If 80 per cent. or more in nominal amount of the Bonds then outstanding have been redeemed or purchased pursuant to this Condition 5(c), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Bondholders (such notice being given within 30 days after the Change of Control Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Bonds at their nominal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

If the rating designations employed by any of Moody's, Fitch or S&P are changed from those which are described in paragraph (ii) of the definition of "Change of Control Put Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, with the agreement of the Trustee, the rating designations of Moody's, Fitch or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, Fitch or S&P and this Condition 5(c) shall be construed accordingly.

The Trustee is under no obligation to ascertain whether a Change of Control Put Event or Change of Control or Negative Rating Event or any event which could lead to the occurrence of or could constitute a Change of Control Put Event or Change of Control or Negative Rating Event has occurred, or to seek any confirmation from any Rating Agency pursuant to paragraph (iii) above or pursuant to the definition of Negative Rating Event below, and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume (without liability for so doing) that no Change of Control Put Event or Change of Control or other such event has occurred.

In these Conditions:

**"Change of Control Period"** means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Bonds are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a **"Negative Rating Event"** shall be deemed to have occurred if at such time as there is no rating assigned to the Bonds by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Bonds, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade (BBB-/Baa3, or their respective equivalents for the time being) by the end of the Change of Control Period;

**"Rating Agency"** means Moody's Investors Service, Inc. (**"Moody's"**), Fitch Ratings Ltd. (**"Fitch"**) or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. (**"S&P"**) or any of their respective successors or any rating agency (a **"Substitute Rating Agency"**) substituted for any of them by the Issuer from time to time with the prior written approval of the Trustee; and

**"Relevant Potential Change of Control Announcement"** means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

- (d) **Notice of redemption:** All Bonds in respect of which any notice of redemption is given under this Condition 5 shall be redeemed on the date specified in such notice in accordance with this Condition 5.
- (e) **Purchase:** The Issuer and its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price (provided that, if they should be cancelled under Condition 5(f) below, they are purchased together with all unmatured Coupons relating to them). The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders or on any Written Resolution or Electronic Consent (each as defined in Condition 11(a)) and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 11. Such Bonds may be held, re-sold or reissued or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

- (f) **Cancellation:** All Bonds so redeemed or purchased and to be cancelled pursuant to Condition 5(e) and any unmatured Coupons attached to or surrendered with them will be cancelled and may not be re-issued or resold.

## 6 Payments

- (a) **Method of Payment:** Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Bonds or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by pound sterling cheque drawn on, or by transfer to a sterling account maintained by the payee with, a bank in the United Kingdom. Payments of interest due in respect of any Bond other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Bond.
- (b) **Payments subject to laws:** Save as provided in Condition 7, payments will be made subject in all cases to any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer (or any Subsidiary Guarantor, as the case may be) and the Paying Agents agree to be subject and neither the Issuer nor any Subsidiary Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations and agreements. No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.
- (c) **Surrender of unmatured Coupons:** Each Bond should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of any such missing unmatured Coupon which the sum of principal so paid bears to the total nominal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 7) for the relevant payment of principal.
- (d) **Payments on business days:** A Bond or Coupon may only be presented for payment on a day which is a business day in the place of presentation (and, in the case of payment by transfer to a sterling account, in London). No further interest or other payment will be made as a consequence of the day on which the relevant Bond or Coupon may be presented for payment under this Condition 6 falling after the due date. In this Condition 6, "**business day**" means a day on which commercial banks and foreign exchange markets are open for business in London.
- (e) **Paying Agents:** The initial Paying Agents and their initial specified offices are listed below these Conditions. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that it will maintain (i) a Principal Paying Agent, (ii) a Paying Agent having a specified office in London and/or in any other major European city approved by the Trustee and (iii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC (as amended from time to time) or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any change in the Paying Agents or their specified offices will promptly be given to the Bondholders in accordance with Condition 15.

## 7 Taxation

All payments of principal and interest by or on behalf of the Issuer (or, as the case may be, any Subsidiary Guarantor) in respect of the Bonds and the Coupons (or under any Guarantee) shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by a relevant Tax Jurisdiction (as defined in Condition 5(b)), unless such withholding or deduction is required by law. In that event the Issuer (or, as the case may be, any Subsidiary Guarantor) shall pay such additional amounts as will result in receipt by the Bondholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon:

- (a) **Other connection:** the holder of which is liable to such Taxes in respect of such Bond or Coupon by reason of his having some connection with the relevant Tax Jurisdiction other than the mere holding of the Bond or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days; or
- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) **Payment by another Paying Agent:** presented for payment by or on behalf of a Bondholder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying Agent in a Member State of the European Union.

"**Relevant Date**" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders. Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition 7 or any undertaking given in addition to or substitution for it under the Trust Deed.

## 8 Events of Default

If any of the following events (an "**Event of Default**") occurs and is continuing the Trustee at its discretion may, and if so requested by holders of at least one-fifth in nominal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall, subject in each case to its being indemnified and/or secured and/or prefunded to its satisfaction, give notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their nominal amount together (if applicable) with accrued interest:

- (a) **Non-Payment:** the Issuer fails to pay any interest on any of the Bonds when due and such failure continues for a period of 14 days or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Bonds or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee or

- (c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any Subsidiary of it fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 8(c) have occurred equals or exceeds U.S.\$10,000,000 or its equivalent in any other currency or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Subsidiaries for the payment of money aggregating in excess of U.S.\$10,000,000 or its equivalent in other currencies and is not discharged or stayed within 30 days or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, securing indebtedness in an amount equal to or exceeding U.S.\$10,000,000 or its equivalent in other currencies and created or assumed by the Issuer or any of its Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrator, manager or other similar person) and is not discharged or stayed within 30 days or
- (f) **Insolvency:** the Issuer or any of its Material Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or materially all of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries or

- (g) **Winding-up:** an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of its Material Subsidiaries, or the Issuer or any Material Subsidiary ceases to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Bondholders, (ii) in the case of a Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or one or more of its Material Subsidiaries or (iii) in compliance with Condition 3(e) or
- (h) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and any Subsidiary Guarantor lawfully to enter into, exercise its or their respective rights and perform and comply with its or their respective obligations under the Bonds and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of England is not taken, fulfilled or done or
- (i) **Illegality:** it is or will become unlawful for the Issuer or any Subsidiary Guarantor to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed or
- (j) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 8 or
- (k) **Guarantee:** the Guarantee (if any) is not (or is claimed by any Subsidiary Guarantor for the time being not to be) in full force and effect other than in accordance with Condition 2.

In these Conditions, a "Material Subsidiary" means at any time a Subsidiary of the Issuer:

- (i) whose net profits (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated net profits of the Issuer and its consolidated Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its consolidated Subsidiaries, provided that:
  - (A) if the then latest audited consolidated accounts of the Issuer and its consolidated Subsidiaries show a net loss for the relevant financial period then there shall be substituted for the words "net profits" the words "gross revenues" for the purposes of this definition;

- (B) in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its consolidated Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;
- (ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (a)(ii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a)(i) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or
- (iii) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate net profits equal to) not less than 10 per cent. of the consolidated net profits of the Issuer, as calculated as referred to in subparagraph (a)(i) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate net profits equal to) not less than 10 per cent. of the consolidated net profits of the Issuer, as calculated as referred to in subparagraph (a)(i) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (a)(iii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a)(i) above or, prior to or after such date, by virtue of any other applicable provision of this definition.

The Issuer shall provide to the Trustee within 14 days of its annual audited financial statements being made available to its members and upon the occurrence of an Event of Default or Potential Event of Default pursuant to Condition 8(f) or 8(g) and in any event within 14 days of a request by the Trustee a certificate signed by two directors of the Issuer addressed to the Trustee that in their opinion a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary which shall, in the absence of manifest error, be conclusive and binding on all parties and upon which the Trustee may rely without liability to any person.



## 9 Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 6 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date (as defined in Condition 7).

## 10 Replacement of Bonds and Coupons

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of any Paying Agent for the time being in London subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or any relevant Subsidiary Guarantor may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

## 11 Meetings of Bondholders, Modification, Waiver and Substitution

- (a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Subsidiary Guarantors (if any) or the Trustee upon written request of Bondholders holding not less than 10 per cent. in nominal amount of the Bonds for the time being outstanding and subject to it being indemnified and/or secured and/or pre-funded to its satisfaction. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in nominal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the nominal amount of, or interest payable on, the Bonds, (iii) to change the currency of payment of the Bonds or the Coupons, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, or (v) to modify or cancel any Guarantee or the provisions relating to accession of Subsidiary Guarantors, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed and whether or not they voted on such resolution) and on all Couponholders.

The Trust Deed provides that (i) a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Bonds for the time being outstanding (a **"Written Resolution"**) or (ii) consents given by way of electronic consent through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than 90 per cent. in nominal amount for the time being outstanding (an **"Electronic Consent"**) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing or, as the case may be, such consents may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

- (b) **Modification and Waiver:** The Trustee may agree, without the consent of the Bondholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and the Couponholders and such modification shall be notified to the Bondholders as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Bondholders or the Couponholders, to the substitution of certain other entities in place of the Issuer or a Subsidiary Guarantor, or of any previous substituted company, as principal debtor or guarantor under the Trust Deed, the Bonds and the Coupons. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders or Couponholders, to a change of the law governing the Bonds, the Coupons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition 11) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Bondholder or Couponholder be entitled to claim, from the Issuer or any Subsidiary Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders or Couponholders.

## 12 Enforcement

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings or take such steps or actions against the Issuer and/or any Subsidiary Guarantor as it may think fit to enforce the terms of the Trust Deed, the Bonds and the Coupons, but it need not take any such proceedings, steps or actions unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-fifth in nominal amount of the Bonds outstanding and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder or Couponholder may proceed directly against the Issuer or any Subsidiary Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

### 13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer, including any Subsidiary Guarantor, without accounting for any profit.

The Trustee may act and rely without liability to Bondholders or Couponholders on a report, confirmation, notice or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to act and rely on any such report, confirmation or certificate or advice and such report, confirmation, notice or certificate or advice shall be binding on the Issuer, any Subsidiary Guarantor, the Trustee, the Bondholders and the Couponholders.

### 14 Further Issues

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition 14 and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of securities of other series where the Trustee so decides.

### 15 Notices

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if in the opinion of the Trustee such publication shall not be practicable, in an English language newspaper of general circulation in the United Kingdom. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition 15.

**16 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

**17 Governing Law and Jurisdiction**

- (a) **Governing Law:** The Trust Deed, the Bonds and the Coupons and any non contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law.
- (b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Bonds, the Coupons or any Guarantee and accordingly any legal action or proceedings arising out of or in connection with the Bonds, the Coupons or any Guarantee ("**Proceedings**") may be brought in such courts. Pursuant to the Trust Deed the Issuer has irrevocably submitted to the jurisdiction of such courts.
- (c) **Agent for Service of Process:** Pursuant to the Trust Deed, the Issuer has irrevocably appointed an agent in England to receive service of process in any Proceedings in England based on any of the Bonds, the Coupons and any Guarantee.

**PRINCIPAL PAYING AGENT**

ELAVON FINANCIAL SERVICES LIMITED, UK BRANCH  
FIFTH FLOOR  
125 OLD BROAD STREET  
LONDON EC2N 1AR

**PAYING AGENTS**

[PAYING AGENTS AND ADDRESSES]

**Form of Coupon**

On the front:

EROS INTERNATIONAL PLC

£50,000,000 6.50 per cent. Bonds due 2021

Coupon for £3.25 due on [\*].

This Coupon is payable to bearer (subject to the Conditions endorsed on the Bond to which this Coupon relates, which shall be binding upon the holder of this Coupon whether or not it is for the time being attached to such Bond) at the specified offices of the Paying Agents set out on the reverse hereof (or any further or other Paying Agents or specified offices duly appointed or nominated and notified to the Bondholders).

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 1650) AND 1287(a) OF THE INTERNAL REVENUE CODE.

**EROS INTERNATIONAL PLC**

By:

[Authorised Signatory]

Cp No.	Denomination	ISIN	Series	Certif. No.
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On the back:

**PRINCIPAL PAYING AGENT**

ELAVON FINANCIAL SERVICES LIMITED, UK BRANCH  
FIFTH FLOOR  
125 OLD BROAD STREET  
LONDON EC2N 1AR

**PAYING AGENTS**

[PAYING AGENTS AND ADDRESSES]

**Schedule 2  
Form of Global Bond**

ISIN: XS1112834608

**EROS INTERNATIONAL PLC  
(Incorporated with limited liability in the Isle of Man)  
£50,000,000  
6.50 per cent. Bonds due 2021**

**Global Bond**

This is to certify that the bearer is entitled to a principal sum not exceeding:

FIFTY MILLION POUNDS STERLING (£50,000,000)

on 15 October 2021 (or such earlier date as such principal sum may become payable in accordance with the Trust Deed (as defined below) and with the terms and conditions (the "**Conditions**") of the Bonds designated above (the "**Bonds**") set out in Schedule 1 to the Trust Deed dated 15 October 2014 (the "**Trust Deed**") between Eros International Plc (the "**Issuer**") and U.S. Bank Trustees Limited as trustee (the "**Trustee**") upon presentation and surrender of this Global Bond and to interest at the rate of 6.50 per cent. per annum on such principal sum in arrear on 15 April and 15 October in each year in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds.

The aggregate nominal amount from time to time of this Global Bond shall be that amount not exceeding £50,000,000 as shall be shown by the latest entry in the fourth column of Schedule A hereto, which shall be completed by or on behalf of the Principal Paying Agent upon the redemption or purchase and cancellation of Bonds represented hereby or exchange for Definitive Bonds as described below.

This Global Bond is exchangeable in whole but not in part (free of charge to the holder) for the Definitive Bonds described below if this Global Bond is held on behalf of Euroclear or Clearstream, Luxembourg or the Alternative Clearing System (each as defined under "**Notices**" below) and (1) any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or (2) announces an intention permanently to cease business or does in fact do so by the holder giving notice to the Principal Paying Agent.

On or after the Exchange Date the holder of this Global Bond may surrender this Global Bond to or to the order of the Principal Paying Agent. In exchange for this Global Bond, the Issuer shall deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Bonds having attached to them all Coupons in respect of interest which has not already been paid on this Global Bond.

**"Exchange Date"** means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and except in the case of exchange pursuant to (1) above in the cities in which Euroclear and Clearstream, Luxembourg or, if relevant, the Alternative Clearing System (each as defined under "**Notices**" below) are located.

Except as otherwise described herein, this Global Bond is subject to the Conditions and the Trust Deed and, until it is exchanged for Definitive Bonds, its holder shall be entitled to the same benefits as if it were the holder of the Definitive Bonds for which it may be exchanged and as if such Definitive Bonds had been issued on the date of this Global Bond.



The Conditions shall be modified with respect to Bonds represented by this Global Bond by the following provisions:

#### **Payments**

Principal and interest in respect of this Global Bond shall be paid to its holder against presentation and (if no further payment falls to be made on it) surrender of it to or to the order of the Principal Paying Agent in respect of the Bonds (or to or to the order of such other Paying Agent as shall have been notified to the Bondholders for this purpose) which shall endorse such payment or cause such payment to be endorsed in the appropriate Schedule hereto (such endorsement being *prima facie* evidence that the payment in question has been made) and each payment of principal and/or interest so made will discharge the Issuer's obligations in respect thereof. Any failure to make the endorsements referred to above shall not affect such discharge. References in the Conditions to Coupons and Couponholders shall be construed accordingly. No person shall however be entitled to receive any payment on this Global Bond falling due after the Exchange Date, unless exchange of this Global Bond for Definitive Bonds is improperly withheld or refused by or on behalf of the Issuer. Condition 6(e)(iii) and Condition 7(d) will apply to the Definitive Bonds only.

For the purposes of any payments made in respect of this Global Bond, Condition 6(d) (*Payments on business days*) shall not apply, and all such payments shall be made on a day on which commercial banks and foreign exchange markets are open for business in London.

#### **Notices**

So long as this Global Bond is held on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") or Clearstream Banking, *societe anonyme* ("**Clearstream, Luxembourg**") or such other clearing system as shall have been approved by the Trustee (the "**Alternative Clearing System**"), notices required to be given to Bondholders may be given by their being delivered to Euroclear and Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System, rather than by publication as required by the Conditions. Any such notice shall be deemed to have been given to Bondholders on the day on which such notice is delivered to the relevant Clearing System.

#### **Prescription**

Claims in respect of principal and interest in respect of this Global Bond will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

#### **Meetings**

For the purposes of any meeting of Bondholders, the holder hereof shall (unless this Global Bond represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each £100 in nominal amount of Bonds.

#### **Purchase and Cancellation**

Cancellation of any Bond represented by this Global Bond which is required by the Conditions to be cancelled will be effected by reduction in the nominal amount of this Global Bond on its presentation to or to the order of the Principal Paying Agent for notation in Schedule A. Bonds may only be purchased by the Issuer or the Subsidiary Guarantors (if any) or any of their respective Subsidiaries if (where they should be cancelled in accordance with the Conditions) they are purchased together with the right to receive all future payments of interest thereon.

**Trustee's Powers**

In considering the interests of Bondholders in circumstances where this Global Bond is held on behalf of any one or more of Euroclear, Clearstream, Luxembourg and an Alternative Clearing System, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, (a) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of this Global Bond and (b) consider such interests on the basis that such accountholders were the holder of this Global Bond.

**Redemption at the option of Bondholders**

The option of the Bondholders provided for in Condition 5(c) may be exercised by the holder of this Global Bond giving notice to the Principal Paying Agent within the time limits relating to the deposit of Bonds with a Paying Agent set out in that Condition substantially in the form of the redemption notice available from any Paying Agent and stating the nominal amount of Bonds in respect of which the option is exercised and at the same time presenting this Global Bond to the Principal Paying Agent for notation accordingly in Schedule C hereto.

This Global Bond shall not be valid or become obligatory for any purpose until authenticated by or on behalf of the Principal Paying Agent.

This Global Bond and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with English law.

In witness whereof the Issuer has caused this Global Bond to be signed on its behalf. Dated 15 October 2014

**EROS INTERNATIONAL PLC**

By:

Authorised Signatory

**Certificate of Authentication**

This Global Bond is authenticated by or on behalf of the Principal Paying Agent.

**ELAVON FINANCIAL SERVICES LIMITED, UK BRANCH**

acting by two duly authorised attorneys as Principal Paying Agent

By:

By:

Authorised Signatory

For the purposes of authentication only without recourse, warranty or liability.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165UJ AND 1287(a) OF THE INTERNAL REVENUE CODE.

**Schedule A**  
**Nominal Amount of this Global Bond**

Reductions in the nominal amount of this Global Bond following redemption or the purchase and cancellation of Bonds are entered in the second and third columns below.

<b>Date</b>	<b>Reason for change in the nominal amount of this Global Bond*</b>	<b>Amount of such change</b>	<b>Nominal amount of this Global Bond following such reduction</b>	<b>Notation made by or on behalf of the Principal Paying Agent</b>
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\* State whether increase/reduction following (1) redemption of Bonds or (2) purchase and cancellation of Bonds.

**Schedule B**  
**Interest Payments in respect of this Global Bond**

The following payments of interest in respect of this Global Bond and the Bonds represented by this Global Bond have been made:

<b>Date made</b>	<b>Amount of interest due and payable</b>	<b>Amount of interest paid</b>	<b>Notation made by or on behalf of the Principal Paying Agent</b>
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**Schedule C**  
**Exercise of Bondholders' Option**

The following exercises of the option of the Bondholders provided for in Condition 5(c) have been made in respect of the stated nominal amount of this Global Bond:

<b>Date of Exercise</b>	<b>Nominal amount of this Global Bond in respect of which exercise is made</b>	<b>Date on which redemption of such nominal amount is due</b>	<b>Notation made by or on behalf of the Principal Paying Agent</b>
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### Schedule 3 Provisions for Meetings of Bondholders

#### Interpretation

- 1 In this Schedule:
- 1.1 references to a meeting are to a meeting of Bondholders and include, unless the context otherwise requires, any adjournment;
- 1.2 "**agent**" means a holder of a voting certificate or a proxy for a Bondholder;
- 1.3 "**block voting instruction**" means an instruction issued in accordance with paragraphs 8 to 14;
- 1.4 "**Electronic Consent**" has the meaning set out in paragraph 30;
- 1.5 "**Extraordinary Resolution**" means a resolution passed (a) at a meeting duly convened and held in accordance with this Trust Deed by a majority of at least 75 per cent. of the votes cast, (b) by a Written Resolution or (c) by an Electronic Consent;
- 1.6 "**voting certificate**" means a certificate issued in accordance with paragraphs 5, 6, 7 and 14;
- 1.7 "**Written Resolution**" means a resolution in writing signed by the holders of not less than 90 per cent. in nominal amount of the Bonds outstanding; and
- 1.8 references to persons representing a proportion of the Bonds are to Bondholders or agents holding or representing in the aggregate at least that proportion in nominal amount of the Bonds for the time being outstanding.

#### Powers of meetings

- 2 A meeting shall, subject to the Conditions and without prejudice to any powers conferred on other persons by this Trust Deed, have power by Extraordinary Resolution:
- 2.1 to sanction any proposal by the Issuer, the Subsidiary Guarantors (if any) or the Trustee for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders and/or the Couponholders against the Issuer or any Subsidiary Guarantor, whether or not those rights arise under this Trust Deed;
- 2.2 to sanction the exchange or substitution for the Bonds of, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer, any Subsidiary Guarantor or any other entity;
- 2.3 to assent to any modification of this Trust Deed, the Bonds or the Coupons proposed by the Issuer, the Subsidiary Guarantors (if any) or the Trustee;
- 2.4 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- 2.5 to give any authority, direction or sanction required to be given by Extraordinary Resolution;
- 2.6 to appoint any persons (whether Bondholders or not) as a committee or committees to represent the Bondholders' interests and to confer on them any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution;

- 2.7 to approve a proposed new Trustee and to remove a Trustee;
- 2.8 to approve the substitution of any entity for the Issuer or any Subsidiary Guarantor (or any previous substitute) as principal debtor or guarantor under this Trust Deed; and
- 2.9 to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed, the Bonds or the Coupons provided that the special quorum provisions in paragraph 19 shall apply to any Extraordinary Resolution (a "**special quorum resolution**") for the purpose of sub-paragraph 2.2 or 2.8 or for the purpose of making a modification to this Trust Deed or the Bonds which have the effect of:
- (i) modifying the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds;
  - (ii) reducing or cancelling the nominal amount of, or interest payable on, the Bonds;
  - (iii) changing the currency of payment of the Bonds or the Coupons;
  - (iv) modifying the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution;
  - (v) modifying or cancelling any Guarantee or the provisions relating to accession of Subsidiary Guarantors; or
  - (vi) amending this proviso.

#### Convening a meeting

- 3 The Issuer, the Subsidiary Guarantors (if any) or the Trustee may at any time convene a meeting. If it receives a written request by Bondholders holding at least 10 per cent. in nominal amount of the Bonds for the time being outstanding and is indemnified and/or secured and/or prefunded to its satisfaction, the Trustee shall convene a meeting. Every meeting shall be held at a time and place approved by the Trustee.

#### Notice of Meeting

- 4 At least 21 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Bondholders. A copy of the notice shall be given by the party convening the meeting to the other parties. The notice shall specify the day, time and place of meeting and, unless the Trustee otherwise agrees, the nature of the resolutions to be proposed and shall explain how Bondholders may appoint proxies or representatives, obtain voting certificates and use block voting instructions and the details of the time limits applicable.

#### Cancellation of meeting

- 5 A meeting that has been validly convened in accordance with paragraph 3 above, may be cancelled by the person who convened such meeting by giving at least 10 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) to the Bondholders (with a copy to the Trustee where such meeting was convened by the Issuer or to the Issuer where such meeting was convened by the Trustee). Any meeting cancelled in accordance with this paragraph 5 shall be deemed not to have been convened.



**Arrangements for voting**

- 6** If a holder of a Bond wishes to obtain a voting certificate in respect of it for a meeting, he must deposit it for that purpose at least 48 hours before the time fixed for the meeting with a Paying Agent or to the order of a Paying Agent with a bank or other depository nominated by the Paying Agent for the purpose. The Paying Agent shall then issue a voting certificate in respect of it.
- 7** A voting certificate shall:
- 7.1** be a document in the English language;
- 7.2** be dated;
- 7.3** specify the meeting concerned and the serial numbers of the Bonds deposited; and
- 7.4** entitle, and state that it entitles, its bearer to attend and vote at that meeting in respect of those Bonds.
- 8** Once a Paying Agent has issued a voting certificate for a meeting in respect of a Bond, it shall not release the Bond until either:
- 8.1** the meeting has been concluded; or
- 8.2** the voting certificate has been surrendered to the Paying Agent.
- 9** If a holder of a Bond wishes the votes attributable to it to be included in a block voting instruction for a meeting, then, at least 48 hours before the time fixed for the meeting, (i) he must deposit the Bond for that purpose with a Paying Agent or to the order of a Paying Agent with a bank or other depository nominated by the Paying Agent for the purpose and (ii) he or a duly authorised person on his behalf must direct the Paying Agent how those votes are to be cast. The Paying Agent shall issue a block voting instruction in respect of the votes attributable to all Bonds so deposited.
- 10** A block voting instruction shall:
- 10.1** be a document in the English language;
- 10.2** be dated;
- 10.3** specify the meeting concerned;
- 10.4** list the total number and serial numbers of the Bonds deposited, distinguishing with regard to each resolution between those voting for and those voting against it;
- 10.5** certify that such list is in accordance with Bonds deposited and directions received as provided in paragraphs 8, 11 and 14; and
- 10.6** appoint a named person (a "**proxy**") to vote at that meeting in respect of those Bonds and in accordance with that list.  
A proxy need not be a Bondholder.
- 11** Once a Paying Agent has issued a block voting instruction for a meeting in respect of the votes attributable to any Bonds:
- 11.1** it shall not release the Bonds, except as provided in paragraph 11, until the meeting has been concluded; and

- 11.2 the directions to which it gives effect may not be revoked or altered during the 48 hours before the time fixed for the meeting.
- 12 If the receipt for a Bond deposited with a Paying Agent in accordance with paragraph 8 is surrendered to the Paying Agent at least 48 hours before the time fixed for the meeting, the Paying Agent shall release the Bond and exclude the votes attributable to it from the block voting instruction.
- 13 Each block voting instruction shall be deposited at least 24 hours before the time fixed for the meeting at such place as the Trustee shall designate or approve, and in default it shall not be valid unless the chairman of the meeting decides otherwise before the meeting proceeds to business. If the Trustee requires, a notarially certified copy of each block voting instruction shall be produced by the proxy at the meeting but the Trustee need not investigate or be concerned with the validity of the proxy's appointment.
- 14 A vote cast in accordance with a block voting instruction shall be valid even if it or any of the Bondholders' instructions pursuant to which it was executed has previously been revoked or amended, unless written intimation of such revocation or amendment is received from the relevant Paying Agent by the Issuer or the Trustee at its registered office or by the chairman of the meeting in each case at least 24 hours before the time fixed for the meeting.
- 15 No Bond may be deposited with or to the order of a Paying Agent at the same time for the purposes of both paragraph 5 and paragraph 8 for the same meeting.

**Chairman**

- 16 The chairman of a meeting shall be such person as the Trustee may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Bondholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman.
- 17 The chairman may, but need not, be a Bondholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

**Attendance**

- 18 The following may attend and speak at a meeting:
- 18.1 Bondholders and agents;
- 18.2 the chairman;
- 18.3 the Issuer, any Subsidiary Guarantor and the Trustee (through their respective representatives) and their respective financial and legal and other advisers.
- No one else may attend or speak.

**Quorum and Adjournment**

- 19 No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Bondholders or if the Issuer and the Trustee agree, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and at a time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

- 20** Two or more Bondholders or agents present in person shall be a quorum:
- 20.1** in the cases marked "**No minimum proportion**" in the table below, whatever the proportion of the Bonds which they represent; and
- 20.2** in any other case, only if they represent the proportion of the Bonds shown by the table below.

Column 1	Column 2	Column 3
Purpose of meeting	Any meeting except one referred to in column 3	Meeting previously adjourned through want of a quorum
	Required proportion	Required proportion
To pass a special quorum resolution	75 per cent.	25 per cent.
To pass any other Extraordinary Resolution	A clear majority	No minimum proportion
Any other purpose	10 per cent.	No minimum proportion

- 21** The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph or paragraph 18.
- 22** At least 10 days' notice of a meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

#### Voting

- 23** Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer, any Subsidiary Guarantor, the Trustee or one or more persons representing two per cent. of the Bonds.
- 24** Unless a poll is demanded a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.
- 25** If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.
- 26** A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

- 27 On a show of hands every person who is present in person and who produces a Bond or a voting certificate or is a proxy has one vote. On a poll every such person has one vote for £100 in nominal amount of Bonds so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.
- 28 In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

#### **Effect and Publication of an Extraordinary Resolution**

- 29 An Extraordinary Resolution shall be binding on all the Bondholders, whether or not present at the meeting, and on all the Couponholders and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution to Bondholders within 14 days but failure to do so shall not invalidate the resolution.

#### **Minutes**

- 30 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

#### **Written Resolution and Electronic Consent**

- 31 Subject to the following sentence, a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Bondholders.

For so long as the Bonds are in the form of a Global Bond held on behalf of one or more of Euroclear, Clearstream, Luxembourg or another clearing system, then, in respect of any resolution proposed by the Issuer, any Subsidiary Guarantor or the Trustee:

- 31.1 where the terms of the proposed resolution have been notified to the Bondholders through the relevant clearing system(s), each of the Issuer, any Subsidiary Guarantor and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Issuer, any Subsidiary Guarantor or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Bonds outstanding ("**Electronic Consent**"). None of the Issuer, any Subsidiary Guarantor or the Trustee shall be liable or responsible to anyone for such reliance; and
- (i) when a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Bondholders through the relevant clearing system (s). The notice shall specify, in sufficient detail to enable Bondholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Applicable Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s); and

- (ii) if, on the Applicable Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall, if the party proposing such resolution (the "**Proposer**") so determines, be deemed to be defeated. Such determination shall be notified in writing to the other party or parties to the Trust Deed. Alternatively, the Proposer may give a further notice to Bondholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee (unless the Trustee is the Proposer). Such notice must inform Bondholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph (i) above. For the purpose of such further notice, references to "Applicable Date" shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer, a Subsidiary Guarantor (if any) or the Trustee which is not then the subject of a meeting that has been validly convened in accordance with paragraph 3 above, unless that meeting is or shall be cancelled or dissolved; and

- 31.2** where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer, any Subsidiary Guarantor and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, any Subsidiary Guarantor and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Bond or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer, any Subsidiary Guarantor and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Bondholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "**commercially reasonable evidence**" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Bonds. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Bonds is clearly identified together with the amount of such holding. None of the Issuer, any Subsidiary Guarantor and the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

A Written Resolution and/or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Bondholders and holders of Coupons, whether or not they participated in such Written Resolution and/or Electronic Consent.

**Trustee's Power to Prescribe Regulations**

- 32** Subject to all other provisions in this Trust Deed the Trustee may without the consent of the Bondholders prescribe such further regulations regarding the holding of meetings and attendance and voting at them as it in its sole discretion determines including (without limitation) such requirements as the Trustee thinks reasonable to satisfy itself that the persons who purport to make any requisition in accordance with this Trust Deed are entitled to do so and as to the form of voting certificates or block voting instructions so as to satisfy itself that persons who purport to attend or vote at a meeting are entitled to do so.

**Schedule 4**  
**Form of Supplemental Trust Deed in respect of the Accession of Subsidiary**  
**Guarantors**

To: Eros International Pic  
Fort Anne  
Douglas IM1 5PD  
Isle of Man

U.S. Bank Trustees Limited  
Fifth Floor  
125 Old Broad Street  
London EC2N 1AR  
(the "Trustee")  
Attention: [•]

[Date] Dear Sirs

**EROS INTERNATIONAL PLC (the "Issuer")**  
**£50,000,000 6.50 per cent. Bonds due 2021 (the "Bonds")**

We refer to the trust deed dated 15 October 2014 in respect of the above Bonds between the Issuer and the Trustee (the "Trust Deed"). This Supplemental Trust Deed is supplemental to and forms part of the Trust Deed and from the date hereof this Supplemental Trust Deed shall be read as one document with the Trust Deed. References in this Supplemental Trust Deed to this Supplemental Trust Deed or any other document are to this Supplemental Trust Deed or those documents as amended, supplemental or replaced from time to time and include any document that amends, supplements or replaces them.

We have received a copy of the agency agreement dated 15 October 2014 (the "Agency Agreement") and the Trust Deed containing the Conditions and have found them to our satisfaction.

For the purposes of the Agency Agreement and Trust Deed our notice details are as follows:

*(insert postal addresses, facsimile address and attention)*

We agree that, as from *[date from which appointment of Subsidiary Guarantor/Subsidiary Guarantors is to take effect]* we have become *[a Subsidiary Guarantor/Subsidiary Guarantors]*, on a joint and several basis, in respect of all sums expressed to be payable by the Issuer under the Trust Deed, the Bonds and the Coupons. We agree to comply with and be bound by all provisions of the Agency Agreement, the Trust Deed and the Conditions which relate to Subsidiary Guarantors or to the Guarantee. We further agree to becoming *[a Subsidiary Guarantor/Subsidiary Guarantors]* without any need for the Trustee or the Issuer or any other Subsidiary Guarantor or any other person executing any further deed, consent or any other instrument.

We agree that we shall not amend, vary, terminate or suspend the Guarantee or any of our obligations assumed hereunder unless pursuant to Condition 2(d) (*Release of Subsidiary Guarantors*) or else as is approved by an Extraordinary Resolution to which the special quorum provisions specified in the Bonds apply to the holders of the Bonds outstanding (as defined in the Trust Deed), save that nothing in this paragraph shall prevent us from increasing or extending our obligations hereunder pursuant to Clause 18.1 of the Trust Deed at any time.

This Supplemental Trust Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and shall be construed in accordance with English law.



In witness whereof the Subsidiary Guarantor has caused this Supplemental Trust Deed to be duly delivered as a deed on the date stated at the beginning.

**EXECUTED AS A DEED BY [NAME OF NEW SUBSIDIARY GUARANTOR] ACTING BY [NAME OF DIRECTOR] AND [NAME OF DIRECTOR OR SECRETARY]**

**By: Director**

**[By:  
Director Secretary][Witnessed By:]**

**[EXECUTED AS A DEED BY [EXISTING SUBSIDIARY GUARANTORS]]\***

Executed as a deed by **EROS INTERNATIONAL PLC** acting by:

.....	.....
Name:	Name:
[Authorised Signatory / Director]	[Authorised Signatory / Director]

Signed as a deed by **U.S. BANK TRUSTEES LIMITED** acting by two duly authorised attorneys:

.....	.....
Name:	Name:

cc: **[PRINCIPAL PAYING AGENT]**

cc: **[OTHER PAYING AGENTS]\***

\* If applicable.

THIS TRUST DEED is delivered on the date stated at the beginning.

Executed as a deed by EROS INTERNATIONAL PLC acting by:

  
 Name: **JYOTI DESHPANDE**  
 Director

Signed as a deed by U.S. BANK TRUSTEES LIMITED acting by two duly authorised attorneys:

.....  
 Name: Name:

THIS TRUST DEED is delivered on the date stated at the beginning.

Executed as a deed by EROS INTERNATIONAL PLC acting by:

.....  
 Name:  
 Director

Signed as a deed by U.S. BANK TRUSTEES LIMITED acting by two duly authorised attorneys:




Name:  
**Michael Whelan**  
 Authorised Signatory

Name:  
**David Harnett**  
 Authorised Signatory

Exhibit 4.31

**EXECUTION VERSION**

To: **EROS INTERNATIONAL PLC**, a company incorporated in the Isle of Man with registered number 116107C) (the **Company**); and  
**THE OBLIGORS** under and as defined in the Agreement (as defined below) as at the date of this letter.

For the attention of: Oliver Webster/Andrew Heffernan

12 February 2015

Dear Sirs,

**US\$125,000 credit agreement dated 5 January 2012 between (among others) the Company and Lloyds Bank plc as facility agent (the Agreement)**

**1. Background**

- (a) This letter is supplemental to and amends the Agreement.
- (b) Pursuant to Clause 27 (Amendments and waivers) of the Agreement, the Majority Lenders have consented to the amendments to the Agreement contemplated by this letter. Accordingly, we are authorized to execute this letter on behalf of the Finance Parties pursuant to Clause 27.1 (Amendments and waivers) of the Agreement.

**2. Interpretation**

- (a) Capitalised terms defined in the Agreement have the same meaning when used in this letter unless expressly defined in this letter.
- (b) The provisions of Clause 1.2 (Construction of the Agreement) apply to this letter as though they were set out in full in this letter except that references to the Agreement are to be construed as references to this letter.
- (c) **Amended Credit Agreement** means the Agreement as amended and restated by this letter.
- (d) **Effective Date** means the date on which the Facility Agent gives the notification to the Company and the Lenders under paragraph 3(b) (Amendments) below or such other date as the Company and the Facility Agent agree.

**3. Amendments**

- (a) Subject to subparagraph (b) below, the Agreement will be amended from the Effective Date so that it reads as if it were restated in the form set out in Schedule 1 (Restated Credit Agreement).
- (b) The Agreement will not be amended by this letter unless the Facility Agent notifies the Company and the Lenders that it has received:
  - (i) a copy of this letter countersigned by the Obligor; and
  - (ii) all of the documents set out in paragraph 5 (Conditions precedent) in form and substance satisfactory to the Facility Agent.

The Facility Agent must give the notification as soon as reasonably practicable.

#### 4. Compliance Certificate

Pursuant to Clause 18.3 (Compliance Certificate) of the Agreement, the Company is required to supply a Compliance Certificate to the Facility Agent on or before 15 February 2015 (the **February 2015 Compliance Certificate**) with its 31 December 2014 quarterly unaudited consolidated management accounts. Notwithstanding the terms of the Agreement and provided that the Effective Date has occurred, the February 2015 Compliance Certificate shall be prepared on the basis that the Agreement had been amended in accordance with paragraph 3 (Amendments) prior to 31 December 2014.

#### 5. Conditions precedent

The conditions precedent to be divided to the Facility Agent by the Original Obligor in accordance with paragraph 3 (Amendments) above are:

- (a) a copy of the constitutional documents of each Original Obligor other than in respect of Eros International USA Inc. (including, without limitation, up to date trade licenses, commercial registration confirmations and chamber of commerce registration certificates) or, if the Facility Agent already has a copy, a certificate of an authorized signatory of the relevant Original Obligor confirming that the copy in the Facility Agent's possession is still correct, complete and in full force and effect as at a date no earlier than the date of this letter,
- (b) a copy of the certificate or articles of incorporation or other formation or constitutional documents, including all amendments to them, of Eros International USA Inc., certified as of a date which is not more than 21 days before the Effective Date by the Secretary of State of the state of its organization, a certificate as to the good standing of that Original Obligor as of a date which is not more than 21 days before the Effective Date, from such Secretary of State, and a long-form certificate as to good standing of that Original Obligor on or about the Effective Date from such Secretary of State;
- (c) a copy of a resolution of the board of directors of each Original Obligor:
  - (i) approving the terms of, and the transactions contemplated by, this letter and resolving that it execute this letter;
  - (ii) authorizing a specified person or persons to execute this letter on its behalf; and
  - (iii) authorizing a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with this letter;
- (d) a copy of a resolution of the shareholders of each Original Obligor (other than the Company and Eros International USA Inc.) approving the terms of and the transactions contemplated by this letter;
- (e) a specimen of the signature of each person authorised on behalf of each Original Obligor by the resolutions referred to in paragraph (c) above;
- (f) a certificate of an authorised signatory of each Original Obligor certifying that each copy document specified in this paragraph 5 is correct, complete and in full force and effect as at a date no earlier than the date of this letter;
- (g) a legal opinion of Allen & Overy LLP, legal advisers in England and Wales to the Arrangers and the Facility Agent, addressed to the Finance Parties;

- (h) a legal opinion of Allen & Overy LLP, legal advisors in the United Arab Emirates to the Arrangers and the Facility Agent, address to the Finance Parties;
- (i) a legal opinion of Clifford Chance LLP, legal advisors in the United Arab Emirates to the Obligors, in the respect of the capacity and due authorisation of each Original Obligor duly incorporated under the laws of the United Arab Emirates, addressed to the Finance Parties;
- (j) a legal opinion of Clifford Chance US LLP, legal advisors in the United States of America to the Parent, addressed to the Finance Parties;
- (k) a legal opinion of Simcocks Advocates Ltd, legal advisors in the Isle of Man to the Arrangers and the Facility Agent, addressed to the Finance Parties;
- (l) evidence that all fees, costs and expenses then due and payable from an Original Obligor in respect of this letter have been paid; and
- (m) a copy of any other authorisation or other document, opinion, or assurance which the Facility Agent has (with reasonable prior notice) notified the Parent is necessary in connection with the entry into and performance of, and the transactions contemplated by, this letter or for the validity and enforceability of this letter of the Amended Credit Agreement.

**6. Representations**

Each Obligor confirms to each Finance Party that on the date of this letter and on the Effective Date the Repeating Representations:

- (a) are true; and
- (b) would also be true if references to the Agreement were construed as references to the Agreement as amended by this letter.

**7. Guarantee**

On the Effective Date, each Obligor:

- (a) confirms its acceptance of the Amended Credit Agreement;
- (b) agrees that it is bound as an Obligor by the terms of the Amended Credit Agreement; and
- (c) confirms that its guarantee:
  - (i) continues in full force and effect on the terms of the Amended Credit Agreement; and
  - (ii) extends to the obligations of the Obligors under the Finance Documents (including the Amended Credit Agreement),

in each case, subject to any limitations set out in Clause 16 (Guarantee) of the Amended Credit Agreement.

**8. Miscellaneous**

- (a) This letter is a Finance Document.

- (b) From the Effective Date, the Agreement and this letter will be read and construed as one document.
- (c) Except as otherwise provided in this letter, the Finance Documents remain in full force and effect.
- (d) Except to the extent expressly waived in this letter, no waiver of any provision of any Finance Document is given by the terms of this letter and the Finance Parties expressly reserve all their rights and remedies in respect of any breach of, or other Default under, the Finance Documents.

**9. Governing Law**

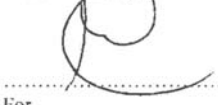
This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

**10. Enforcement**

The provisions of Clause 38 (Enforcement) of the Agreement apply to this letter as though they were set out in full in this letter except that references to the Agreement are to be construed as references to this letter.

If you agree to the terms of this letter, please sign where indicated below.

Yours faithfully,



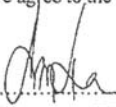
.....  
For

**LLOYDS BANK PLC**

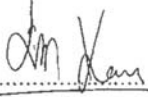
as Facility Agent for and on behalf of the other Finance Parties


**ACKNOWLEDGEMENT**

We agree to the terms of this letter on 12 February 2015.

  
.....  
For  
**EROS INTERNATIONAL PLC**  
(as Original Borrower)

.....  
For  
**EROS WORLDWIDE FZ LLC**  
(as Original Borrower)

  
.....  
For  
**EROS INTERNATIONAL USA INC.**  
(as Original Borrower)

  
.....  
For  
**EROS INTERNATIONAL PLC**  
(as Original Guarantor)

.....  
For  
**EROS WORLDWIDE FZ LLC**  
(as Original Guarantor)

  
.....  
For  
**EROS INTERNATIONAL USA INC.**  
(as Original Guarantor)

.....  
For  
**EROS INTERNATIONAL LIMITED**  
(as Original Guarantor)

**ACKNOWLEDGEMENT**

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For  
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(as Original Borrower)



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For  
**EROS WORLDWIDE FZ LLC**  
(as Original Borrower)

.....  
For  
**EROS INTERNATIONAL USA INC.**  
(as Original Borrower)

.....  
For  
**EROS INTERNATIONAL PLC**  
(as Original Guarantor)



.....  
For  
**EROS WORLDWIDE FZ LLC**  
(as Original Guarantor)

.....  
For  
**EROS INTERNATIONAL USA INC.**  
(as Original Guarantor)

.....  
For  
**EROS INTERNATIONAL LIMITED**  
(as Original Guarantor)



**ACKNOWLEDGEMENT**

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For  
**EROS INTERNATIONAL PLC**  
(as Original Borrower)

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For  
**EROS WORLDWIDE FZ LLC**  
(as Original Borrower)

.....  
For  
**EROS INTERNATIONAL USA INC.**  
(as Original Borrower)

.....  
For  
**EROS INTERNATIONAL PLC**  
(as Original Guarantor)

.....  
For  
**EROS WORLDWIDE FZ LLC**  
(as Original Guarantor)

.....  
For  
**EROS INTERNATIONAL USA INC.**  
(as Original Guarantor)

  
.....  
For  
**EROS INTERNATIONAL LIMITED**  
(as Original Guarantor)

**SCHEDULE 1****RESTATED CREDIT AGREEMENT**

**CONFORMED COPY  
(AS AMENDED PURSUANT TO AN AMENDMENT LETTER DATED 12 FEBRUARY 2015)**

**AGREEMENT**

**DATED  
5 JANUARY 2012  
(AS AMENDED PURSUANT TO AN AMENDMENT LETTER DATED 12 FEBRUARY 2015)**

**US\$125,000,000**

**CREDIT FACILITY**

**for**

**EROS INTERNATIONAL PLC**

**arranged by**

**CITIBANK, N.A., LONDON BRANCH, LLOYDS TSB BANK PLC and THE ROYAL BANK OF SCOTLAND PLC**

**with**

**LLOYDS TSB BANK PLC**

**as Facility Agent**

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**THIS AGREEMENT** is dated 5 January 2012 (as amended pursuant to an amendment letter dated 12 February 2015) and is made **BETWEEN**:

- (1) **EROS INTERNATIONAL PLC**, a company incorporated in the Isle of Man with registered number 116107C (the **Parent**);
- (2) **THE COMPANIES** listed in Part 1 of Schedule 1 (Original Parties) as the original borrowers (together with the Parent, the **Original Borrowers** and each an **Original Borrower**);
- (3) **THE COMPANIES** listed in Part 2 of Schedule 1 (Original Parties) as the original guarantors (together with the Parent, the **Original Guarantors** and each an **Original Guarantor**);
- (4) **CITIBANK, N.A., LONDON BRANCH, LLOYDS TSB BANK PLC** and **THE ROYAL BANK OF SCOTLAND PLC** as mandated lead arrangers (the **Arrangers**);
- (5) **THE FINANCIAL INSTITUTIONS** listed in Part 3 of Schedule 1 (Original Parties) as original lenders (the **Original Lenders**, and each an **Original Lender**); and
- (6) **LLOYDS TSB BANK PLC** as facility agent (in this capacity the **Facility Agent**).

**IT IS AGREED** as follows:

## **1. INTERPRETATION**

### **1.1 Definitions**

In this Agreement:

**Acceptable Bank** means a commercial bank or trust company which has a rating of A- or higher by S&P or Fitch or A3 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency for its long-term unsecured and non-credit enhanced debt obligations or has been approved by the Majority Lenders.

**Accession Agreement** means a letter, substantially in the form of Schedule 7 (Form of Accession Agreement), with such amendments as the Facility Agent and the Parent may agree.

**Additional Borrower** means a member of the Group which becomes an Additional Borrower in accordance with Clause 28.2 (Additional Borrowers).

**Additional Guarantor** means a member of the Group which becomes an Additional Guarantor in accordance with Clause 28.4 (Additional Guarantor).

**Additional Obligor** means an Additional Borrower or an Additional Guarantor.

**Adjusted Group** means the Group excluding the Indian Group.

**Administrative Party** means an Arranger or the Facility Agent.

**Affiliate** means:

- (a) a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company; and

- (b) notwithstanding paragraph (a) above, in relation to The Royal Bank of Scotland plc, the term “Affiliate” shall not include (i) the UK government or any member or instrumentality thereof, including Her Majesty’s Treasury and UK Financial Investments Limited (or any directors, officers, employees or entities of them) or (ii) any persons or entities controlled by or under common control with the UK government or any member or instrumentality of it (including Her Majesty’s Treasury and UK Financial Investments Limited) and which are not part of The Royal Bank of Scotland Group plc and its subsidiaries or subsidiary undertakings.

**Availability Period** means the period from and including the date of this Agreement to and including the date falling 30 days prior to the Final Maturity Date.

**Available Commitment** means a Lender’s Commitment under the Facility **minus**:

- (a) the Base Currency Amount of its participation in any outstanding Loans under that Facility; and
- (b) in relation to any proposed Loan, the Base Currency Amount of its participation in any other Loan that are due to be made under the Facility on or before the proposed Utilisation Date provided that the Lender’s participation in any Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date shall not be deducted from that Lender’s Commitment.

**Available Facility** means the aggregate for the time being of each Lender’s Available Commitment.

**Base Currency** means US Dollars.

**Base Currency Amount** means the amount specified in the Request delivered by a Borrower for a Loan (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Facility Agent’s Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Facility Agent receives the Request in accordance with the terms of this Agreement).

**Borrower** means:

- (a) an Original Borrower; or
- (b) an Additional Borrower.

**Break Costs** means the amount (if any) which a Lender is entitled to receive under Clause 25.3 (Break Costs).

**Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business in London, Singapore and:

- (a) if on that day a payment in or a purchase of a currency (other than Euro) is to be made, the principal financial centre of the country of that currency; or
- (b) if on that day a payment in or a purchase of Euro is to be made, which is also a TARGET Day.

**Code** means, at any date, the US Internal Revenue Code of 1986 (or any successor legislation thereto) as amended from time to time, and the regulations promulgated and the rulings issued thereunder, all as the same may be in effect at such date.

**Commitment** means:

- (a) for an Original Lender, the amount set opposite its name in Part 3 of Schedule 1 (Original Parties) under the heading **Commitments** and the amount of any other Commitment it acquires; and
- (b) for any other Lender, the amount of any Commitment it acquires,

and, in each case, the amount of any Commitment assumed by it in accordance with Clause 2.2 (Increase – for Defaulting Lender or illegality) or Clause 2.3 (Voluntary Increase), to the extent not cancelled, transferred or reduced under this Agreement.

**Compliance Certificate** means a certificate substantially in the form of Schedule 6 (Form of Compliance Certificate) setting out, among other things, calculations of the financial covenants.

**Debt Purchase Transaction** means, in relation to a person, a transaction where that person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation in respect of; or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of, any Commitment or amount outstanding under this Agreement.

**Default** means:

- (a) an Event of Default; or
- (b) an event or circumstance which would be (with the expiry of a grace period, the giving of notice or the making of any determination under the Finance Documents or any combination of them) an Event of Default.

**Defaulting Lender** means any Lender:

- (a) which has failed to make its participation in a Loan available or has notified the Facility Agent that it will not make its participation in a Loan available by the Utilisation Date of that Loan in accordance with Clause 5.4 (Advance of Loan);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
    - (A) administrative or technical error; or
    - (B) a Disruption Event; and
- payment is made within five (5) Business Days of its due date; or

- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

**Disruption Event** means:

- (a) a material disruption to the payment or communications systems or to the financial markets which are required to operate in order for payments to be made (or other transactions to be carried out) in connection with the transactions contemplated by the Finance Documents, which is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing it, or any other Party from:
- (i) performing its payment obligations under the Finance Documents; or
- (ii) communicating with other Parties under the Finance Documents,
- and which is not caused by, and is beyond the control of, the Party whose operations are disrupted.

**EIML** means Eros International Media Limited, a company incorporated under the laws of India.

**Employee Plan** means an employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which a US Obligor or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

**ERISA** means, at any date, the United States Employee Retirement Income Security Act of 1974 (or any successor legislation thereto) as amended from time to time, and the regulations promulgated and rulings issued thereunder, all as the same may be in effect at such date.

**ERISA Affiliate** means any person that for purposes of Title I and Title IV of ERISA and Section 412 of the Code would be deemed at any relevant time to be a single employer with an Obligor, pursuant to Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA.

**ERISA Event** means

- (a) any reportable event, as defined in Section 4043 of ERISA, with respect to an Employee Plan, as to which PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified of such event;
- (b) the filing of a notice of intent to terminate any Employee Plan, if such termination would require material additional contributions in order to be considered a standard termination within the meaning of Section 4041(b) of ERISA (as modified by the Pension Act), the filing under Section 4041(c) of ERISA of a notice of intent to terminate any Employee Plan or the termination of any Employee Plan under Section 4041 (c) of ERISA (as modified by the Pension Act);
- (c) the institution of proceedings under Section 4042 of ERISA by the PBGC for the termination of, or the appointment of a trustee to administer, any Employee Plan;
- (d) prior to the effective date of the applicable provisions of the Pension Act, the existence with respect to any Employee Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), or, on and after the effective date of the applicable provisions of the Pension Act, any failure by any Employee Plan to satisfy the minimum funding requirements of Sections 412 and 430 of the Code or Section 302 of ERISA applicable to such Employee Plan, in each case whether or not waived;



- (e) the failure to make a required contribution to any Employee Plan that would result in the imposition of an encumbrance under Section 412 or 430 of the Code or at any time prior to date hereof, a filing under Section 412 of the Code or Section 302 of ERISA of any request for a minimum funding variance with respect to any Employee Plan or Multiemployer Plan;
- (f) an engagement in a non-exempt prohibited transaction within the meaning of Section 4975 of the Code or Section 406 of ERISA;
- (g) the complete or partial withdrawal of any US Obligor or any ERISA Affiliate from a Multiemployer Plan;
- (h) an Obligor or an ERISA Affiliate incurring any liability under Title IV of ERISA with respect to any Employee Plan (other than premiums due and not delinquent under Section 4007 of ERISA); and
- (i) on and after the effective date of the applicable provisions of the Pension Act, a determination that any Employee Plan is, or is expected to be, in "at risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code).

**EURIBOR** means for a Term of any Loan or overdue amount denominated in Euro:

- (a) the applicable Screen Rate; or
- (b) if no Screen Rate is available for that Term of that Loan or overdue amount, the arithmetic mean (rounded upward to four decimal places) of the rates as supplied to the Facility Agent at its request quoted by the Reference Banks to leading banks in the European interbank market,

as of 11.00 a.m. (Brussels time) on the Rate Fixing Day for the offering of deposits in Euro for a period comparable to that Term and, if any such rate is below zero, EURIBOR will be deemed to be zero.

**Euro** means the single currency of the Participating Member States.

**Event of Default** means an event or circumstance specified as such in Clause 21 (Default).

**Existing Facilities** means the revolving credit facilities made available under each Existing Facility Agreement.

**Existing Facility Agreement** means each of the:

- (a) US\$20,000,000 revolving loan facility agreement dated 16 December 2010 between, among others, Eros Worldwide FZ LLC, as borrower, and Lloyds TSB Bank plc, as facility agent;
- (b) US\$25,000,000 revolving loan facility agreement dated 14 December 2009 between, among others, Eros Worldwide FZ LLC, as borrower, and Lloyds TSB Bank plc, as facility agent;

- (c) US\$100,000,000 revolving loan facility agreement dated 22 August 2007, as amended on 28 March 2008 and 14 December 2009, between, among others, Eros Worldwide FZ LLC, as borrower, and Citibank International plc, as facility agent; and
- (d) US\$10,000,000 uncommitted short term credit facility agreement dated 4 March 2010 between Eros Worldwide FZ LLC, as borrower, and Citibank N.A., Jersey (Channel Islands).

**Facility** means the revolving credit facility made available under this Agreement.

**Facility Agent's Spot Rate of Exchange** means the Facility Agent's spot rate of exchange for the purchase of the relevant currency in the London foreign exchange market with US Dollars as of 11.00 a.m. on a particular day.

**Facility Office** means the office(s) notified by a Lender to the Facility Agent:

- (a) on or before the date it becomes a Lender; or
- (b) by not less than five Business Days' notice,

as the office(s) through which it will perform its obligations under this Agreement.

**Fee Letter** means any letter or letters entered into by reference to this Agreement between one or more Administrative Parties and the Parent setting out the amount of certain fees referred to in this Agreement.

**Final Maturity Date** means the fifth anniversary of the date of this Agreement, or if that day is not a Business Day, the immediately preceding Business Day.

**Finance Document** means:

- (a) this Agreement;
- (b) any Fee Letter;
- (c) a Transfer Certificate;
- (d) a Resignation Request;
- (e) an Accession Agreement; or
- (f) any other document designated as such by the Facility Agent and the Parent.

**Finance Party** means a Lender or an Administrative Party.

**Financial Indebtedness** means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any acceptance credit (including any dematerialised equivalent);
- (c) any bond, note, debenture, loan stock or other similar instrument;
- (d) any redeemable preference share;
- (e) any agreement treated as a finance or capital lease in accordance with GAAP;

- (f) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (g) the acquisition cost of any asset or service to the extent payable before or after its acquisition or possession by the party liable where the advance or deferred payment:
  - (i) is arranged primarily as a method of raising finance or of financing the acquisition of that asset or service or the construction of that asset or service; or
  - (ii) involves a period of more than six months before or after the date of acquisition or supply;
- (h) any derivative transaction protecting against or benefiting from fluctuations in any rate or price (and, except for non-payment of an amount, the then mark-to-market value of the derivative transaction will be used to calculate its amount);
- (i) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing;
- (j) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution; or
- (k) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in the above paragraphs.

and so that no amount shall be included more than once.

**Fitch** means Fitch Ratings Limited or any successor to its ratings business.

**GAAP** means generally accepted accounting principles in the jurisdiction of incorporation of the relevant Obligor (if any) including IFRS to the extent applicable to that Obligor's financial statements.

**Group** means the Parent and its Subsidiaries, other than any Production SPV.

**Guarantor** means:

- (a) an Original Guarantor; or
- (b) an Additional Guarantor.

**HMRC** means HM Revenue & Customs.

**Holding Company** of any other person, means a person in respect of which that other person is a Subsidiary.

**IFRS** means International Financial Reporting Standards from time to time published by the International Accounting Standards Board or any successor body acceptable to the Majority Lenders.

**Impaired Agent** means the Facility Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Facility Agent otherwise rescinds or repudiates a Finance Document;

- (c) (if the Facility Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of “Defaulting Lender”; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Facility Agent,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
  - (A) administrative or technical error; or
  - (B) a Disruption Event; andpayment is made within three Business Days of its due date; or
- (ii) the Facility Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

**Increase Confirmation** means a confirmation substantially in the form set out in Schedule 9 (Form of Increase Confirmation), with such amendments as the Facility Agent and the Parent may agree.

**Increased Cost** means:

- (a) an additional or increased cost;
- (b) a reduction in the rate of return from a Facility or on a Finance Party’s (or its Affiliate’s) overall capital; or
- (c) a reduction of an amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates but only to the extent attributable to that Finance Party having entered into any Finance Document or funding or performing its obligations under any Finance Document.

**Indian Group** means each of Eros Digital Private Limited, India and EIML and their respective Subsidiaries.

**Insolvency Event** in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
  - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
  - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

**Intellectual Property** means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests, whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets.

**Lender** means:

- (a) an Original Lender; or
- (b) any person which becomes a Party in accordance with Clause 29.1 (Assignments and transfers by Lenders).

**LIBOR** means for a Term of any Loan or overdue amount denominated in a currency other than Euro:

- (a) the applicable Screen Rate; or
- (b) if no Screen Rate is available for the relevant currency or Term of that Loan or overdue amount, the arithmetic mean (rounded upward to four decimal places) of the rates, as supplied to the Facility Agent at its request, quoted by the Reference Banks to leading banks in the London interbank market,

as of 11.00 a.m. on the Rate Fixing Day for the offering of deposits in the currency of that Loan or overdue amount for a period comparable to that Term and, if any such rate is below zero, LIBOR will be deemed to be zero.

**Loan** means, unless otherwise stated in this Agreement, the principal amount of each borrowing under this Agreement or the principal amount outstanding of that borrowing.

**Majority Lenders** means, at any time, Lenders:

- (a) whose share in the outstanding Loans and whose undrawn Commitments then aggregate  $66\frac{2}{3}$  per cent. or more of the aggregate of all the outstanding Loans and the undrawn Commitments of all the Lenders;
- (b) if there is no Loan then outstanding, whose undrawn Commitments then aggregate  $66\frac{2}{3}$  per cent. or more of the Total Commitments; or
- (c) if there is no Loan then outstanding and the Total Commitments have been reduced to zero, whose Commitments aggregated  $66\frac{2}{3}$  per cent. or more of the Total Commitments immediately before the reduction.

**Mandatory Cost** means the percentage rate per annum calculated by the Facility Agent in accordance with Schedule 4 (Calculation of the Mandatory Cost).

**Margin** means the percentage rate per annum determined in accordance with Clause 9.3 (Margin adjustment).

**Margin Regulations** means Regulations T, U and X issued by the Board of Governors of the United States Federal Reserve System.

**Margin Stock** means "margin stock" or "margin securities" as defined in the Margin Regulations.

**Material Adverse Effect** means a material adverse effect on:

- (a) the business, prospects or financial condition of any Obligor or the Group as a whole;
- (b) the ability of any Obligor to perform its obligations under any Finance Document;
- (c) the validity or enforceability of any Finance Document; or
- (d) any right or remedy of a Finance Party in respect of a Finance Document.

**Material Company** means, at any time:

- (a) an Obligor; or
- (b) any member of the Adjusted Group which (when consolidated with its Subsidiaries, if any) has EBITDA (as defined in Clause 19.1 (Definitions)), gross assets or turnover (excluding intra-Group items) representing 5 per cent. or more of those of the Adjusted Group (on a consolidated basis).

Compliance with the conditions set out in paragraph (b) shall be determined by reference to the most recent Compliance Certificate supplied by the Parent and the latest audited consolidated financial statements of the Group (but excluding the India Group). However, if a Subsidiary that is not a member of the Indian Group has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the financial statements shall be deemed to be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment being certified by the Group's auditors as representing an accurate reflection of the revised EBITDA (as defined in Clause 19.1 (definitions)), gross assets, or turnover of the Adjusted Group).

A report by the auditors of the Parent that a Subsidiary is or is not a Material Company shall, in the absence of manifest error, be conclusive and binding on all Parties.

**Maturity Date** means the last day of the Term of a Loan.

**Moody's** means Moody's Investors Service Limited or any successor to its ratings business.

**Multiemployer Plan** means a "multiemployer plan" (as defined in Section (3)(37) of ERISA) that is subject to Title IV of ERISA contributed to for any employees of a US Obligor or any ERISA Affiliate.

**Obligor** means a Borrower or a Guarantor.

**Obligors' Agent** means the Parent, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.4 (Obligors' Agent).

**Optional Currency** means any currency (other than US Dollars) in which a Loan may be denominated under this Agreement.

**Original Financial Statements** means the audited consolidated financial statements of the Parent for the year ended 31 March, 2011.

**Original Obligor** means each Original Borrower and each Original Guarantor.

**Participating Member State** means a member state of the European Communities that adopts or has adopted the Euro as its lawful currency under the legislation of the European Community for Economic Monetary Union.

**Party** means a party to this Agreement.

**PBGC** means the US Pension Benefit Guaranty Corporation, or any entity succeeding to all or any of its functions under ERISA.

**Pension Act** means the Pension Protection Act of 2006.

**Permitted Financial Indebtedness** means Financial Indebtedness:

- (a) arising under the Finance Documents up to US\$125,000,000;
- (b) arising on account of any trade credit extended to any member of the Group by any person on normal commercial terms and in the ordinary course of that member's trading activities;
- (c) to which the Majority Lenders have given their prior written consent;
- (d) arising under any loan made by an Obligor to another Obligor;

- (e) arising under any loan made by an Obligor to a member of the Group which is not an Obligor so long as the aggregate amount of Financial Indebtedness under all such loans does not exceed US\$60,000,000 (or its equivalent) at any time, although such amount to exclude the aggregate value of any proceeds of any issue of ordinary shares by the Parent loaned to any other member of the Group which is not an Obligor;
- (f) arising under any loan made by any person not a member of the Group to a member of the Indian Group so long as the aggregate amount of Financial Indebtedness under all such loans does not exceed US\$75,000,000 at any time;
- (g) arising under any loan made by any person not a member of the Group to Eros International Limited (and not permitted under paragraph (a) above) so long as the aggregate amount of Financial Indebtedness under all such loans does not exceed US\$27,500,000 (or its Indian Rupee equivalent calculated at a rate of INR52.49:US\$1) at any time;
- (h) arising under a Permitted Treasury Transaction;
- (i) of any person acquired by a member of the Group after the date of this Agreement which is incurred under arrangements in existence at the date of acquisition, but not incurred or increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of six Months following the date of acquisition;
- (j) under finance or capital leases of vehicles, plant, equipment or computers, **provided that** the aggregate capital value of all such items so leased under outstanding leases by members of the Group does not exceed US\$5,000,000 (or its equivalent in other currencies) at any time; and
- (k) not permitted by the preceding paragraphs or as a Permitted Transaction and
  - (i) the outstanding principal amount of which does not exceed, at any time and in aggregate for the Group, the Permitted Outstanding Amount; and
  - (b) of the Permitted Outstanding Amount not more than an amount, in aggregate for the Group, of US\$125,000,000 less the amount (if any) by which the Base Currency Amount of the Commitments exceeds US\$175,000,000 is outstanding in favour of the Adjusted Group at any time.

**Permitted Outstanding Amount** means US\$145,000,000 less the amount (if any) by which the Base Currency Amount of the Commitments exceeds US\$175,000,000.

**Permitted Treasury Transaction** means (i) an interest rate swap transaction or (ii) a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in interest rates or, as the case may be, currency rates where that interest rate or, as the case may be, foreign exchange exposure arises in the ordinary course of trade or (in the case of a foreign exchange exposure) in respect of Loans made in Optional Currencies, but not any interest rate or foreign exchange transaction for investment or speculative purposes.

**Permitted Transaction** means:

- (a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security Interest or Quasi-Security given, or other transaction arising, under the Finance Documents;



- (b) the solvent liquidation or reorganisation of any member of the Group which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group; or
- (c) transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of any Security Interest or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm's length terms.

**Production SPV** means any Subsidiary of the Parent which is a special purpose entity established for the purposes of (a) producing one or more films and/or carrying on merchandising and/or related activities with respect to one or more films or (b) producing computer and/or internet-based games and/or other forms of entertainment for application on computer or mobile telephone technology or (c) facilitating the financing of one or more films and/or any other form of media-based entertainment referred to in (b) above produced by another Subsidiary of the Parent or (d) raising finance for and investing in one or more films or any other form of media-based entertainment referred to in (b) above, in any such case without any guarantee or security from or any other recourse to any member of the Group or its assets.

**Pro Rata Share** means:

- (a) for the purpose of determining a Lender's share in a utilisation of the Facility, the proportion which its Commitment bears to the Total Commitments; and
- (b) for any other purpose on a particular date:
  - (i) the proportion which a Lender's share of the Loans (if any) bears to all the Loans;
  - (ii) if there is no Loan outstanding on that date, the proportion which its Commitment bears to the Total Commitments on that date; or
  - (iii) if the Total Commitments have been cancelled, the proportion which its Commitment bore to the Total Commitments immediately before being cancelled.

**Rate Fixing Day** means:

- (a) the first day of a Term for a Loan denominated in Sterling;
- (b) the second TARGET Day before the first day of a Term for a Loan denominated in Euro; or
- (c) the second Business Day before the first day of a Term for a Loan denominated in any other currency,

unless market practice for the relevant currency differs, in which case, the Rate Fixing Day for such currency will be such other day as the Facility Agent determines is generally treated as the rate fixing day by market practice in the relevant interbank market (and, if quotations would normally be given by lending banks in the relevant interbank market on more than one day, the Rate Fixing Day will be the last of those days).

**Reference Banks** means:

- (a) in relation to LIBOR, the principal London offices of Lloyds TSB Bank plc, The Royal Bank of Scotland plc and Citibank, N.A., London Branch; or

(b) in relation to EURIBOR, the principal London offices of Lloyds TSB Bank plc, The Royal Bank of Scotland plc and Citibank, N.A., London Branch,

and any other bank or financial institution appointed as such by the Facility Agent in accordance with this Agreement.

**Register** has the meaning given to it in Clause 22.10(g) (Information).

**Relationship Agreement** means an English law relationship agreement between the Parent, Eros Worldwide FZ LLC and EIML dated 16 December 2009, detailing and governing the ongoing commercial relationship between the operations of the parties.

**Repeating Representations** means at any time the representations and warranties which are then made or deemed to be repeated under Clause 17.22 (Times for making representations and warranties) or under any other Finance Document.

**Representative** means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

**Request** means a request for a Loan, substantially in the form of Schedule 3 (Form of Request).

**Related Fund** in relation to a fund (the **first fund**), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

**Resignation Request** means a letter in the form of Schedule 8 (Form of Resignation Request), with such amendments as the Facility Agent and the Parent may agree.

**Restricted Party** means a person that is (i) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on any Sanctions List; (ii) located in, incorporated under the laws of, or acting on behalf of a person located in or organized under the laws of any country or territory that is the target of country-wide Sanctions (which shall currently include Cuba, Burma / Myanmar, Iran, North Korea, Libya, Sudan and Syria); or (iii) otherwise a target of Sanctions.

**Rollover Loan** means one or more Loans:

- (a) to be made on the same day that a maturing Loan is due to be repaid;
- (b) the aggregate amount of which is equal to or less than the maturing Loan;
- (c) in the same currency as the maturing Loan; and
- (d) to be made to the same Borrower for the purpose of refinancing a maturing Loan.

**Sanctions** means the economic sanctions laws, regulations, rules or restrictive measures administered, enacted or enforced by Office of Foreign Assets Control of the U.S. Department of Treasury, the United States Department of State, the United Nations Security Council, any United Nations Security Council Sanctions Committee, Her Majesty's Treasury or the European Union.

**Sanctions List** means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC or any similar list maintained by, or public announcement of Sanctions designation made by, the United States Department of State or any other U.S. government entity, the United Nations Security Council, any United Nations Security Council Sanctions Committee, the European Union or Her Majesty's Treasury.

**S&P** means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to its ratings business.

**Screen Rate** means:

- (a) for LIBOR, the British Bankers Association Interest Settlement Rate; and
- (b) for EURIBOR, the percentage rate per annum determined by the Banking Federation of the European Union,

for the relevant currency and Term displayed on the appropriate page of the Reuters screen selected by the Facility Agent. If the relevant page is replaced or the service ceases to be available, the Facility Agent (after consultation with the Parent and the Lenders) may specify another page or service displaying the appropriate rate.

**Security Interest** means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

**Subsidiary** means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

**TARGET2** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**TARGET Day** means a day on which TARGET2 is open for the settlement of payments in Euro.

**Tax** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest).

**Tax Deduction** means a deduction or withholding for or on account of Tax from a payment under a Finance Document.

**Tax Payment** means a payment made by an Obligor to a Finance Party in any way relating to a Tax Deduction or under any indemnity given by that Obligor in respect of Tax under any Finance Document.

**Term** means each period determined under this Agreement by reference to which interest on a Loan or an overdue amount is calculated.

**Total Commitments** means the aggregate of the Commitments of all the Lenders.

**Transfer Certificate** means a certificate, substantially in the form of Schedule 5 (Form of Transfer Certificate), with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Parent.

**UK** means the United Kingdom.

**Unfunded Pension Liabilities** means the excess of an Employee Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that plan's assets, determined in accordance with the assumptions used for funding the Employee Plan pursuant to Section 412 of the Code for the applicable plan year.

**US Bankruptcy Law** means the United States Bankruptcy Code or any other United States Federal or State bankruptcy, insolvency or similar law.

**US Borrower** means any Borrower that is incorporated or organized under the laws of the United States of America or any State of the United States of America (including the District of Columbia).

**US Debtor** means an Obligor that is incorporated or organized under the laws of the United States of America or any State of the United States of America (including the District of Columbia) or that has a place of business or property in the United States of America.

**US Guarantor** means any Guarantor that is incorporated or organized under the laws of the United States of America or any State of the United States of America (including the District of Columbia) or that has a place of business or property in the United States of America.

**US Obligor** means an Obligor that is incorporated or organized under the laws of the United States of America or any State of the United States of America (including the District of Columbia).

**US Patriot Act** means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (commonly known as the US Patriot Act).

**Utilisation Date** means each date on which the Facility is utilised.

**Wider Group** means the Parent and its Subsidiaries.

## 1.2 Construction

- (a) In this Agreement, unless the contrary intention appears, a reference to:
- (i) an **amendment** includes a supplement, novation, extension (whether of maturity or otherwise), restatement, re-enactment or replacement (however fundamental and whether or not more onerous) and **amended** will be construed accordingly;
  - (ii) **assets** includes present and future properties, revenues and rights of every description;
  - (iii) an **authorisation** includes an authorisation, consent, approval, resolution, permit, licence, exemption, filing, registration or notarisation;
  - (iv) **disposal** means a sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary, and **dispose** will be construed accordingly;
  - (v) **indebtedness** includes any obligation (whether incurred as principal or as surety and whether present or future, actual or contingent) for the payment or repayment of money;
  - (vi) “**know your customer**” **requirements** are to the identification checks that a Finance Party requests in order to meet its obligations under any applicable law or regulation to identify a person who is (or is to become) its customer;

- (vii) a **person** includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, fund, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
  - (viii) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (ix) a currency is a reference to the lawful currency for the time being of the relevant country;
  - (x) a Default being **outstanding** means that it has not been remedied or waived;
  - (xi) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
  - (xii) a Clause, a Subclause or a Schedule is a reference to a clause or subclause of, or a schedule to, this Agreement;
  - (xiii) a Party or any other person includes its successors in title, permitted assigns and permitted transferees;
  - (xiv) a Finance Document or other document or security includes (without prejudice to any prohibition on amendments) any amendment to that Finance Document or other document or security, including any change in the purpose of, any extension for or any increase in the amount of a facility or any additional facility; and
  - (xv) a time of day is a reference to London time.
- (b) Unless the contrary intention appears, a reference to a **month** or **months** is a reference to a period starting on one day in a calendar month determined in accordance with the Gregorian calendar and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
- (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
  - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
  - (iii) notwithstanding subparagraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of any Finance Document, no consent of any third party is required for any amendment (including any release or compromise of any liability) or termination of any Finance Document.

- (d) Unless the contrary intention appears:
- (i) a reference to a Party will not include that Party if it has ceased to be a Party under this Agreement;
  - (ii) a word or expression used in any other Finance Document or in any notice given in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement; and
  - (iii) any obligation of an Obligor under the Finance Documents which is not a payment obligation remains in force for so long as any payment obligation of any Obligor is, may be or is capable of becoming outstanding under the Finance Documents.
- (e) The headings in this Agreement do not affect its interpretation.

## 2. FACILITY

### 2.1 Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrowers a revolving credit facility in an aggregate amount equal to the Total Commitments.

### 2.2 Increase – for Defaulting Lender or illegality

- (a) The Parent may by giving prior notice to the Facility Agent by no later than the date falling 5 Business Days after the effective date of a cancellation of:
- (i) the Available Commitments of a Defaulting Lender in accordance with Clause 8.7 (Right of cancellation in relation to a Defaulting Lender); or
  - (ii) the Commitments of a Lender in accordance with Clause 8.1 (Illegality),

request that the Total Commitments be increased (and the Total Commitments under that Facility shall be so increased) in an aggregate amount in the Base Currency of up to the amount of the Available Commitments or Commitments so cancelled. In that event:

- (A) the increased Commitments will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (each an **Increase Lender**) selected by the Parent (none of which may be an Affiliate or a member of the Group and which, if not a Lender immediately prior to the relevant increase, satisfies all necessary “know your customer” or other similar checks applied by the Facility Agent in accordance with paragraph (b)(ii) below) and each of which confirms in the Increase Confirmation its willingness to assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender;
- (B) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender;
- (C) each Increase Lender shall become a Party as a “Lender”, and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender;

- (D) the Commitments of the other Lenders shall continue in full force and effect; and
  - (E) any increase in the Total Commitments shall take effect on the date specified by the Parent in the notice referred to above or any later date on which the conditions set out in paragraph (b) below are satisfied.
- (b) An increase in the Total Commitments will only be effective on:
- (i) the execution by the Facility Agent of an Increase Confirmation from the relevant Increase Lender (which the Facility Agent shall do promptly upon being able to);
  - (ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase, the performance by the Facility Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender, the completion of which the Facility Agent shall promptly notify to the Parent and the Increase Lender.
- (c) Each Increase Lender, by executing the Increase Confirmation, confirms that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.
- (d) Unless the Facility Agent otherwise agrees or the increased Commitment is assumed by an existing Lender, the Increase Lender must pay to the Facility Agent for its own account, on or before the date on which the increase takes effect, a fee of £2,000.
- (e) The Parent shall promptly on demand pay the Facility Agent the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with any increase in Commitments under this Clause 2.2.
- (f) The Parent may pay to the Increase Lender a fee in the amount and at the times agreed between the Parent and the Increase Lender in a Fee Letter.
- (g) Clause 29.6 (Limitation of responsibility of Existing Lender) shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Increase Lender as if references in that Clause to:
- (i) an “**Existing Lender**” were references to all the Lenders immediately prior to the relevant increase;
  - (ii) the “**New Lender**” were references to that “**Increase Lender**”; and
  - (iii) a “**re-transfer**” and “**re-assignment**” were references to respectively a “**transfer**” and “**assignment**”.

### 2.3 Voluntary increase

- (a) The Parent may, at any time from the date of this Agreement by giving five Business Days prior written notice to the Facility Agent, request that the Total Commitments be increased (and the Total Commitments shall be so increased) by an aggregate amount not exceeding US\$75,000,000. In that event:

- (i) the increased Commitments will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (each an **Accordion Bank**) agreed to by the Parent (none of which may be a member of the Group or an affiliate of a member of the Group) and which confirms in the Increase Confirmation its willingness to assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender;
  - (ii) each of the Obligors and each Accordion Bank shall assume obligations towards one another and/or acquire rights against one another as the Obligors and each Accordion Bank would have assumed and/or acquired had that Accordion Bank been an Original Lender;
  - (iii) each Accordion Bank shall become a Party as a “Lender”, and each Accordion Bank and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Accordion Bank and those Finance Parties would have assumed and/or acquired had that Accordion Bank been an Original Lender;
  - (iv) the Commitments of the other Lenders shall continue in full force and effect; and
  - (v) any increase in the Total Commitments shall take effect on the date specified by the Parent in the notice referred to above or any later date on which the conditions set out in paragraph (b) below are satisfied.
- (b) An increase in the Total Commitments will only be effective:
- (i) on the execution by the Facility Agent of an Increase Confirmation from an Accordion Bank (which the Facility Agent shall do promptly upon being able to);
  - (ii) if the Parent has confirmed, in the written notice delivered under paragraph (a) above, that no Default is continuing or would result from the acceptance of the Increase Confirmation by the Facility Agent; and
  - (iii) in relation to an Accordion Bank which is not a Lender immediately prior to the relevant increase, on the performance by the Facility Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Accordion Bank, the completion of which the Facility Agent shall promptly notify to the Parent and the Accordion Bank.
- (c) Unless the Facility Agent otherwise agrees or the increased Commitment is assumed by an existing Lender, the Accordion Bank must pay to the Facility Agent for its own account, on or before the date on which the increase takes effect, a fee of £2,000.
- (d) The Parent shall promptly on demand pay the Facility Agent the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with any increase in Commitments under this Clause 2.3.
- (e) The Parent may pay to the Accordion Bank a fee in the amount and at the times agreed between the Parent and the Accordion Bank in a Fee Letter.



## 2.4 Nature of a Finance Party's rights and obligations

Unless all the Finance Parties agree otherwise:

- (a) the obligations of a Finance Party under the Finance Documents are several;
- (b) failure by a Finance Party to perform its obligations does not affect the obligations of any other person under the Finance Documents;
- (c) no Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents;
- (d) the rights of a Finance Party under the Finance Documents are separate and independent rights;
- (e) a Finance Party may, except as otherwise stated in the Finance Documents, separately enforce those rights; and
- (f) a debt arising under the Finance Documents to a Finance Party is a separate and independent debt.

## 2.5 Joint and several liability of the Obligors

The obligations of the Obligors under the Finance Documents are, unless an Obligor has been released from its obligations under the Finance Documents by the Finance Parties, joint and several.

## 2.6 Obligors' agent

- (a) Each Obligor (other than the Parent) by its execution of this Agreement or an Accession Agreement irrevocably appoints the Parent to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
  - (i) the Parent on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Requests), to execute on its behalf any Accession Agreement, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and
  - (ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Parent,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

### **3. PURPOSE**

#### **3.1 Loans**

Each Loan may be used to repay the Existing Facilities and for the general corporate purposes of the Group.

#### **3.2 No obligation to monitor**

No Finance Party is bound to monitor or verify the utilisation of the Facility.

### **4. CONDITIONS PRECEDENT**

#### **4.1 Conditions precedent documents**

- (a) A Request may not be given until the Facility Agent has notified the Borrowers and the Lenders that it has received all of the documents and evidence set out in Part 1 of Schedule 2 (Conditions Precedent Documents) in form and substance satisfactory to the Facility Agent.
- (b) The Facility Agent must give this notification to the Borrowers and the Lenders promptly upon being so satisfied.

#### **4.2 Further conditions precedent**

The obligations of each Lender to participate in any Loan are subject to the further conditions precedent that on both the date of the Request and the proposed Utilisation Date for that Loan:

- (a) the Repeating Representations are correct in all material respects; and
- (b) no Default or, in the case of a Rollover Loan, no Event of Default is outstanding or would result from the Loan.

### **5. UTILISATION - LOANS**

#### **5.1 Giving of Requests**

- (a) A Borrower may borrow a Loan by giving to the Facility Agent a duly completed Request.
- (b) Unless the Facility Agent otherwise agrees, the latest time for receipt by the Facility Agent of a duly completed Request is 9.30 a.m. (i) one Business Day (for a Loan denominated in Sterling) and (ii) three Business Days (for a Loan denominated in any other currency), in each case, before the Utilisation Date for the proposed borrowing.
- (c) Each Request is irrevocable.

#### **5.2 Completion of Requests**

A Request for a Loan will not be regarded as having been duly completed unless:

- (a) it identifies the Borrower;

- (b) the proposed Utilisation Date is a Business Day falling within the Availability Period;
- (c) the amount of the Loan requested is:
  - (i) a minimum of US\$1,000,000 or its equivalent in accordance with Clause 6 (Optional Currencies) and an integral multiple of 1,000,000 units of the requested currency;
  - (ii) the maximum undrawn amount available under the Facility on the proposed Utilisation Date; or
  - (iii) such other amount as the Facility Agent may agree; and
- (d) the proposed currency and Term comply with this Agreement.

Only one Loan may be requested in a Request.

### 5.3 Maximum number

Unless the Facility Agent agrees, a Request may not be given if, as a result, there would be more than ten Loans outstanding.

### 5.4 Advance of Loan

- (a) The Facility Agent must promptly notify each Lender of the details of the requested Loan and the amount of its share in that Loan.
- (b) The amount of each Lender's share of the requested Loan will be its Pro Rata Share on the proposed Utilisation Date.
- (c) No Lender is obliged to participate in a Loan if, as a result:
  - (i) its share in the Loans would exceed its Commitment; or
  - (ii) the Loans would exceed the Total Commitments.
- (d) If the conditions set out in this Agreement have been met, each Lender must make its share in the requested Loan available to the Facility Agent for the relevant Borrower through its Facility Office on the Utilisation Date.

## 6. OPTIONAL CURRENCIES

### 6.1 General

In this Clause:

**US Dollar Amount** of a Loan or part of a Loan means:

- (a) if the Loan is denominated in US Dollars, its amount; or
- (b) if the Loan is denominated in an Optional Currency, its equivalent in US Dollars calculated on the basis of the Facility Agent's Spot Rate of Exchange one Business Day before the Rate Fixing Day for that Term.

**6.2 Selection**

- (a) The Borrower must select the currency of a Loan in its Request.
- (b) Unless the Facility Agent otherwise agrees, the Loans may not be denominated at any one time in more than four currencies.

**6.3 Conditions relating to Optional Currencies**

- (a) A Loan may be denominated in an Optional Currency for a Term if:
  - (i) that Optional Currency is readily available in the amount required and freely convertible into US Dollars in the relevant interbank market on the Rate Fixing Day and the first day of that Term; and
  - (ii) that Optional Currency is Sterling or Euros or has been previously approved by the Facility Agent (acting on the instructions of all the Lenders).
- (b) If the Facility Agent has received a request from the Parent for a currency to be approved as an Optional Currency, the Facility Agent must, within five Business Days, confirm to the Parent:
  - (i) whether or not the Lenders have given their approval; and
  - (ii) if approval has been given, the minimum amount (and, if required, integral multiples) for any Loan in that currency.

**6.4 Revocation of currency**

- (a) Notwithstanding any other term of this Agreement, if before 12.00 noon on any Rate Fixing Day the Facility Agent receives notice from a Lender that:
  - (i) the Optional Currency requested is not readily available to it in the relevant interbank market in the amount and for the period required; or
  - (ii) participating in a Loan in the proposed Optional Currency might contravene any law or regulation applicable to it,the Facility Agent must give notice to the relevant Borrower to that effect promptly and in any event before 1.00 p.m. on that day.
- (b) In this event:
  - (i) that Lender must participate in the Loan in US Dollars; and
  - (ii) the share of that Lender in the Loan and any other similarly affected Lender(s) will be treated as a separate Loan denominated in US Dollars during that Term.
- (c) Any part of a Loan treated as a separate Loan under this Subclause will not be taken into account for the purposes of any limit on the number of Loans or currencies outstanding at any one time.
- (d) A Loan will still be treated as a Rollover Loan if it is not denominated in the same currency as the maturing Loan by reason only of the operation of this Subclause.

## 6.5 Optional Currency equivalents

The equivalent in US Dollars of a Loan or part of a Loan in an Optional Currency for the purposes of calculating:

- (a) whether any limit under this Agreement has been exceeded;
- (b) the amount of a Loan;
- (c) the share of a Lender in a Loan;
- (d) the amount of any repayment or prepayment of a Loan; or
- (e) the undrawn amount of a Lender's Commitment,

is its US Dollar Amount.

## 6.6 Notification

The Facility Agent must notify the Lenders and the Parent of the relevant US Dollar Amount (and the applicable Facility Agent's Spot Rate of Exchange) promptly after they are ascertained.

## 7. REPAYMENT

### 7.1 Repayment of Facility

- (a) Each Borrower must repay each Loan made to it in full on its Maturity Date.
- (b) Subject to the other terms of this Agreement, any amounts repaid under paragraph (a) above may be re-borrowed.

### 7.2 Repayment of Loans of Defaulting Lender

- (a) If a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in the Loans then outstanding will be automatically extended to the Final Maturity Date and these Loans will be treated as separate Loans (the **Separate Loans**) denominated in the currency in which the relevant participations are outstanding.
- (b) A Borrower to whom a Separate Loan is outstanding may prepay that Loan by giving ten Business Days' prior notice to the Facility Agent. The Facility Agent will forward a copy of a prepayment notice received in accordance with this paragraph (b) to the Defaulting Lender concerned as soon as practicable on receipt.
- (c) Interest in respect of a Separate Loan will accrue for successive Terms selected by the Borrower by the time and date specified by the Facility Agent (acting reasonably) and will be payable by that Borrower to the Defaulting Lender on the last day of each Term of that Loan.
- (d) The terms of this Agreement relating to Loans generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (a) to (c) above, in which case those paragraphs shall prevail in respect of any Separate Loan.

### 7.3 Reduction of Facility

- (a) On the date falling eighteen months after the date of this Agreement and on each date falling at six monthly intervals thereafter, the Total Commitments will automatically be reduced by 5 per cent. of the aggregate of:
  - (i) the Total Commitments on the date of this Agreement; and
  - (ii) the amount of any increase in the Total Commitments pursuant to Clause 2.3 (Voluntary increase).
- (b) The Parent must ensure that on any date on which the Total Commitments are reduced under paragraph (a) above, the aggregate amount of the Loans in US Dollars does not exceed the Total Commitments as so reduced.

## 8. PREPAYMENT AND CANCELLATION

### 8.1 Mandatory prepayment – illegality

- (a) A Lender must notify the Facility Agent and the Parent promptly if it becomes aware that it is unlawful in any applicable jurisdiction for that Lender to perform any of its obligations under a Finance Document or to fund or maintain its share in any Loan.
- (b) After notification under paragraph (a) above the Facility Agent must notify the Parent promptly that:
  - (i) each Borrower must repay or prepay the share of that Lender in each Loan made to it on the date specified in paragraph (c) below; and
  - (ii) the Commitment of that Lender will be immediately cancelled.
- (c) The date for repayment or prepayment of a Lender's share in a Loan will be:
  - (i) the last day of the current Term of that Loan; or
  - (ii) if earlier, the date specified by the Lender in the notification under paragraph (a) above and which must not be earlier than the last day of any applicable grace period allowed by law.

### 8.2 Mandatory prepayment – capital markets issue

- (a) In this Clause 8.2:

**capital markets issue** means any public or private bond or other debt capital markets issue by or related to a member of the Group; and

**net proceeds** means all amounts received by a member of the Group as a result of or in relation to a capital markets issue less all Taxes and reasonable costs and expenses incurred by that member of the Group in connection with that capital markets issue.

- (b) Upon the occurrence of any capital markets issue, the Parent shall ensure that all net proceeds received by any member of the Adjusted Group from, or in relation to, that capital markets issue, up to US\$75,000,000 (or its equivalent) in aggregate during the life of the Facility, are applied in and towards the prepayment of all outstanding Loans, and a corresponding amount of the Total Commitments shall automatically be immediately cancelled. Such prepayments and cancellations shall apply to each Lender's Pro Rata Share in the Loans and the Total Commitments as applicable.

### 8.3 Mandatory prepayment – change of control

(a) For the purposes of this Subclause:

a **change of control** occurs if:

- (i) Mr Kishore Lulla and his family cease to be discretionary beneficiaries of Beech Investments Limited;
- (ii) Beech Investments Limited ceases to control the Parent or to be the beneficial owner of 30 per cent. or more of the issued share capital of the Parent; or
- (iii) any other person or party, except for Beech Investments Limited, gains control of the Parent.

**control** means the power or the ability to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise.

(b) The Parent must promptly notify the Facility Agent if it becomes aware of any change of control.

(c) After a change of control:

- (i) a Lender shall not be obliged to fund a Loan (except for a Rollover Loan); and
- (ii) if a Lender so requires and notifies the Facility Agent within 10 days of the Parent notifying the Facility Agent of the change of control, the Facility Agent shall, by not less than 30 days notice to the Parent, cancel the Commitment of that Lender and declare the participation of that Lender in all outstanding Loans, together with accrued interest and all other amounts accrued under the Finance Documents, to be immediately due and payable. Any such notice will take effect in accordance with its terms.

### 8.4 Voluntary prepayment

- (a) The Parent may, by giving not less than three Business Days' prior written notice to the Facility Agent, prepay any Loan at any time in whole or in part.
- (b) A prepayment of part of a Loan must be in a minimum amount and an integral multiple of US\$1,000,000 (or its equivalent in any Optional Currency).

### 8.5 Automatic cancellation

The Commitment of each Lender will be automatically cancelled at the close of business on the last day of the Availability Period.

### 8.6 Voluntary cancellation

- (a) The Parent may, by giving not less than seven Business Days' prior notice to the Facility Agent, cancel the unutilised amount of the Total Commitments in whole or in part.

- (b) Partial cancellation of the Total Commitments must be in a minimum amount and an integral multiple of US\$1,000,000 (or its equivalent in any Optional Currency).
- (c) Any cancellation in part will be applied against the Commitment of each Lender pro rata.

#### **8.7 Right of repayment and cancellation of a single Lender**

- (a) If a Borrower is, or will be, required to pay to a Lender:
  - (i) a Tax Payment; or
  - (ii) an Increased Cost,the relevant Borrower may, while the requirement continues, give notice to the Facility Agent:
  - (iii) (if such circumstances relate to a Lender) of cancellation of the Commitment of that Lender and its intention to prepay that Lender's share of the Loans; or
- (b) After notification under paragraph (a) above:
  - (i) the Parent must repay or prepay that Lender's share in each Loan made to it on the date specified in paragraph (c) below; and
  - (ii) the Commitment of that Lender will be immediately cancelled.
- (c) The date for repayment or prepayment of a Lender's share in a Loan will be:
  - (i) the last day of the Term for that Loan which ends after the relevant Borrower has given notice under paragraph (a) above; or
  - (ii) if earlier, the date specified by that Borrower in its notification.

#### **8.8 Right of cancellation in relation to a Defaulting Lender**

- (a) If any Lender becomes a Defaulting Lender, the Parent may, at any time whilst the Lender continues to be a Defaulting Lender, give the Facility Agent five Business Days' notice of cancellation of each Available Commitment of that Lender.
- (b) On the notice referred to in paragraph (a) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
- (c) The Facility Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

#### **8.9 Re-borrowing of Loans**

Any voluntary prepayment of a Loan under Clause 8.4 (Voluntary prepayment) may be re-borrowed on the terms of this Agreement. Any other prepayment of a Loan may not be re-borrowed.

#### **8.10 Miscellaneous provisions**

- (a) Any notice of prepayment and/or cancellation under this Agreement is irrevocable and must specify the relevant date(s) and the affected Loans and Commitments. The Facility Agent must notify the Lenders promptly of receipt of any such notice.



- (b) All prepayments under this Agreement must be made with accrued interest on the amount prepaid. No premium or penalty is payable in respect of any prepayment except for Break Costs.
- (c) The Majority Lenders may agree a shorter notice period for a voluntary prepayment or a voluntary cancellation.
- (d) No prepayment or cancellation is allowed except in accordance with the express terms of this Agreement.
- (e) No amount of the Total Commitments cancelled under this Agreement may subsequently be reinstated.

## **9. INTEREST**

### **9.1 Calculation of interest**

The rate of interest on each Loan for each Term is the percentage rate per annum equal to the aggregate of the applicable:

- (a) Margin;
- (b) EURIBOR (for a Loan in Euro) or LIBOR (for any other Loan); and
- (c) Mandatory Cost.

### **9.2 Payment of interest**

Except where it is provided to the contrary in this Agreement, each Borrower must pay accrued interest on each Loan made to it on the last day of each Term and also, if the Term is longer than six months, on the dates falling at six-monthly intervals after the first day of that Term.

### **9.3 Margin adjustments**

- (a) Subject to paragraphs (c) (d) and (e) below, (i) the initial Margin will be as set out in the Compliance Certificate (and the corresponding financial statements) delivered in accordance with Clause 4.1(a) (Conditions precedent documents) or, if no such Compliance Certificate is so delivered within 3 months of the date of this Agreement, 2.9% per annum, and (ii) the subsequent Margin applicable to each Loan shall be calculated by reference to the Leverage ratio (as determined in accordance with Clause 21.3 (Leverage)) set out in the most recent Compliance Certificate (and the financial statements with which it is required by this Agreement to be delivered) received by the Facility Agent, and the rate per annum specified opposite the relevant range set out in the following table in which the Leverage ratio falls:

<b>Leverage</b>	<b>Margin (% per annum)</b>
less than 1.0	1.9
greater than or equal to 1.0 but less than 1.5	2.1
greater than or equal to 1.5 but less than 2.0	2.3
greater than or equal to 2.0 but less than 2.5	2.6
greater than or equal to 2.5	2.9

(b) Any adjustment to the Margin under paragraph (a) above shall take effect on the date falling two Business Days after receipt by the Facility Agent of a Compliance Certificate (and the financial statements with which it is required by this Agreement to be delivered) in accordance with Clause 20.3 (Compliance Certificate).

(c) If any annual financial statements delivered under Clause 20.1 (Financial statements) demonstrate that the Margin :

- (i) should have been increased in accordance with this Clause 11.3 when (in reliance on the corresponding Compliance Certificate) it has not been; or
- (ii) should not have been decreased in accordance with this Clause 11.3 when (in reliance on the corresponding Compliance Certificate) it has been,

the appropriate change to the relevant Margin will be made with retrospective effect and the relevant Borrowers must, within three Business Days of receipt of written notification from the Facility Agent confirming the same, make additional payments of interest and commitment fees in such amount as the Facility Agent shall determine is necessary to give effect to the correct variation in the Margin as demonstrated by the annual financial statements.

(d) For so long as:

- (i) the Parent is in default of its obligation under this Agreement to provide a Compliance Certificate; or
- (ii) an Event of Default is outstanding,

the Margin will be the highest applicable rate, being 2.9% per annum plus any additional Margin resulting from paragraph (e) below.

(e) The applicable Margin in respect of any Loan shall be increased by:

- (i) 0.10 per cent. per annum, if and for as long as the aggregate amount of the outstanding Loans exceeds 33.3% of the Total Commitments; and
- (ii) a further 0.10 per cent. per annum (in addition to that applied by paragraph (a) above), if and for as long as the aggregate amount of the outstanding Loans exceeds 66.6% of the Total Commitments.

#### **9.4 Interest on overdue amounts**

(a) If an Obligor fails to pay any amount payable by it under the Finance Documents, it must immediately on demand by the Facility Agent pay interest on the overdue amount from its due date up to the date of actual payment, both before, on and after judgment.

- (b) Interest on an overdue amount is payable at a rate determined by the Facility Agent to be one per cent. per annum above the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount. For this purpose, the Facility Agent may (acting reasonably):
  - (i) select successive Terms of any duration of up to three months; and
  - (ii) determine the appropriate Rate Fixing Day for that Term.
- (c) Notwithstanding paragraph (b) above, if the overdue amount is a principal amount of a Loan and becomes due and payable before the last day of its current Term, then:
  - (i) the first Term for that overdue amount will be the unexpired portion of that Term; and
  - (ii) the rate of interest on the overdue amount for that first Term will be one per cent. per annum above the rate then payable on that Loan.

After the expiry of the first Term for that overdue amount, the rate on the overdue amount will be calculated in accordance with paragraph (b) above.

- (d) Interest (if unpaid) on an overdue amount will be compounded with that overdue amount at the end of each of its Terms but will remain immediately due and payable.

#### **9.5 Notification of rates of interest**

The Facility Agent must promptly notify each relevant Party of the determination of a rate of interest under this Agreement.

### **10. TERMS**

#### **10.1 Selection**

- (a) Each Loan has one Term only, commencing on its Utilisation Date.
- (b) The relevant Borrower must select the Term for a Loan in the relevant Request.
- (c) Subject to the following provisions of this Clause, each Term for a Loan will be one, three or six months or any other period agreed by the relevant Borrower and the Facility Agent (acting on the instructions of all the Lenders).

#### **10.2 No overrunning the Final Maturity Date**

If a Term would otherwise overrun the Final Maturity Date, it will be shortened so that it ends on the Final Maturity Date.

#### **10.3 Notification**

The Facility Agent must notify each relevant Party of the duration of each Term promptly after ascertaining its duration.

## 11. MARKET DISRUPTION

### 11.1 Failure of a Reference Bank to supply a rate

If LIBOR or EURIBOR is to be calculated by reference to the Reference Banks but a Reference Bank does not supply a rate by 12.00 noon on a Rate Fixing Day, the applicable LIBOR or EURIBOR will, subject as provided below, be calculated on the basis of the rates of the remaining Reference Banks.

### 11.2 Market disruption

- (a) In this Clause, each of the following events is a **market disruption event**:
- (i) LIBOR or EURIBOR is to be calculated by reference to the Reference Banks but no, or (where there is more than one Reference Bank) only one, Reference Bank supplies a rate by 12.00 noon on the Rate Fixing Day; or
  - (ii) the Facility Agent receives by close of business on the Rate Fixing Day notification from Lenders whose shares in the relevant Loan exceed 35 per cent. of that Loan that the cost to them of obtaining matching deposits in the relevant interbank market is in excess of LIBOR or EURIBOR (as applicable) for the relevant currency and Term.
- (b) The Facility Agent must promptly notify the Parent and the Lenders of a market disruption event.
- (c) After notification under paragraph (b) above, the rate of interest on each Lender's share in the affected Loan for the relevant Term will be the aggregate of the applicable:
- (i) Margin;
  - (ii) rate notified to the Facility Agent by that Lender as soon as practicable, and in any event before interest is due to be paid in respect of that Term, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its share in that Loan from whatever source it may reasonably select; and
  - (iii) Mandatory Cost.

### 11.3 Alternative basis of interest or funding

- (a) If a market disruption event occurs and the Facility Agent or the Parent so requires, the Parent and the Facility Agent must enter into negotiations for a period of not more than 30 days with a view to agreeing an alternative basis for determining the rate of interest and/or funding for the affected Loan.
- (b) Any alternative basis agreed will be, with the prior consent of all the Lenders, binding on all the Parties.

## 12. TAXES

### 12.1 General

In this Clause:

**CTA** means the Corporation Tax Act 2009.

**FATCA** means sections 1471 to 1474 (inclusive) of the Code, as of the date of this Agreement (or any amended or successor versions thereof that are substantially similar and not materially more onerous to comply with), and any current or future regulations or authoritative guidance promulgated thereunder.

**IRS** means the United States Internal Revenue Service.

**ITA** means the Income Tax Act 2007.

**Qualifying Lender** means a Lender which is:

- (a) a UK Lender;
- (b) a Treaty Lender; or
- (c) in respect of payments made by or on behalf of US Borrower, a Lender that is a US Qualifying Lender.

**Tax Credit** means a credit against any Tax or any relief or remission for Tax (or its repayment).

**Treaty Lender** means a Lender which:

- (a) is treated as a resident of a Treaty State for the purposes of the Treaty;
- (b) does not carry on a business in the UK through a permanent establishment with which that Lender's participation in the Loans is effectively connected; and
- (c) meets all other conditions in the Treaty for full exemption from UK taxation on interest which relate to the Lender (including its tax status), the manner in which or the period for which it holds any rights under this Agreement, the reasons or purposes for its acquisition of such rights and the nature of any arrangements by which it disposes of or otherwise turns to account such rights, provided that for these purposes, it shall be assumed that the following are satisfied: (a) any condition for the exemption to apply which is not satisfied due to or on account of: any reason outside the control of the Lender; there being a special relationship (or absence thereof) between any Obligor (or any member of the Group) and the Lender; or the amount of any Loan or the terms of this Agreement; and (b) any procedural formalities.

**Treaty State** means a jurisdiction having a double taxation agreement (a **Treaty**) with the UK which makes provision for full exemption from Tax imposed by the UK on interest.

**UK Lender** means:

- (a) a Lender (other than a Lender within paragraph (ii) below) which is beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document and is:
    - (i) a Lender:
      - (A) which is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Finance Document; or
      - (B) in respect of an advance made under a Finance Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made,
- and which is within the charge to UK corporation tax as respects any payments of interest made in respect of that advance; or

- (ii) a Lender which is:
  - (A) a company resident in the UK for UK tax purposes;
  - (B) a partnership each member of which is:
    - (1) a company so resident in the UK; or
    - (2) a company not so resident in the UK which carries on a trade in the UK through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of Section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or
  - (C) a company not so resident in the UK which carries on a trade in the UK through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of Section 19 of the CTA) of that company; or
- (b) a building society (as defined for the purpose of section 880 of the ITA) making an advance under a Finance Document.

**US Qualifying Lender** means in respect of each payment made by or on behalf of a US Borrower, a Lender that prior to such payment has supplied to the Facility Agent for transmission to the US Borrower or, as the case may be, the relevant Guarantor:

- (a) two original copies of a valid and effective IRS Form W-9 (or any successor form) either directly or under cover of IRS Form W-8IMY (or any successor form) certifying its status as a United States person;
- (b) two original copies of a valid and effective IRS Form W-8BEN (or any successor form) either directly or under cover of IRS Form W-8IMY (or any successor form) certifying its entitlement to receive such payments without any deduction or withholding in respect of United States Tax under a treaty with the United States;
- (c) two original copies of a valid and effective IRS Form W-8ECI (or any successor form) either directly or under cover of IRS Form W-8IMY (or any successor form) certifying that such payments are effectively connected with the conduct by that Lender of a trade or business within the United States;
- (d) two original copies of a valid and effective IRS Form W-8BEN (or any successor form) either directly or under cover of IRS Form W-8IMY (or any successor form) and a certification that the beneficial owner (A) is not a “bank” described in Section 881(c)(3)(A) of the Code, (B) is not a “10 per cent shareholder” of the relevant US Borrower within the meaning of Section 881(c)(3)(B) of the Code and (C) is not a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code with respect to which the relevant US Borrower is a “United States shareholder”;

- (e) two original copies of such other applicable form prescribed by the IRS certifying as to such Lender's entitlement to receive such payments without deduction or withholding of any United States Tax; or
- (f) in case of a New Lender, valid and effective certification that such New Lender would have been a Qualifying Lender under paragraphs (a) to (e) above but for a change in law occurring after the date of this Agreement and prior the date on which such New Lender became a party to this Agreement;

provided that for purposes of this definition of US Qualifying Lender, the term United States Tax shall not include any Tax that is imposed under FATCA and also for purposes of this definition of US Qualifying Lender, in the case of a Lender that is not treated as the beneficial owner of the payment (or a portion thereof) under the Code, the term "Lender" shall mean the person who is so treated as the beneficial owner of the payment (or portion thereof).

**VAT** means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

## 12.2 Tax gross-up

- (a) Each Obligor must make all payments to be made by it under the Finance Documents without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If:
  - (i) a Lender is not, or ceases to be, a Qualifying Lender; or
  - (ii) an Obligor or a Lender (in respect of a payment payable to that Lender) is aware that an Obligor must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction),it must promptly notify the Facility Agent. The Facility Agent must then promptly notify the affected Parties.
- (c) Except as provided below, if a Tax Deduction is required by law to be made by an Obligor or the Facility Agent, the amount of the payment due from the Obligor will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) A payment shall not be increased under paragraph (c) above by reason of a Tax Deduction on account of Tax imposed by the UK or the United States of America, if on the date on which the payment falls due:
  - (i) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority;

- (ii) the relevant Lender is a Qualifying Lender solely by virtue of paragraph (a)(ii) of the definition of UK Lender and:
    - (A) an officer of HMRC has given (and not revoked) a direction (a **Direction**) under section 931 of the ITA which relates to the payment and that Lender has received from the Obligor making the payment or from the Parent a certified copy of that Direction; and
    - (B) the payment could have been made to the Lender without any Tax Deduction if that Direction had not been made; or
  - (iii) the relevant Lender is a Treaty Lender and the Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under paragraph (g) below; or
  - (iv) with respect to a payment made by or on behalf of a US Borrower, the relevant Lender would have been subject to such Tax on such payment on the date of the Agreement.
- (e) If an Obligor is required to make a Tax Deduction, that Obligor must make the minimum Tax Deduction and must make any payment required in connection with that Tax Deduction in the minimum amount required by law and within the time allowed by law.
- (f) Within 30 days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Obligor making that Tax Deduction or payment must deliver to the Facility Agent for the relevant Finance Party entitled to that payment a statement under section 975 of the ITA or other evidence satisfactory to that Finance Party (acting reasonably) that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.
- (g) (i) Subject to paragraph (ii) below, a Treaty Lender and each Obligor which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.
- (ii) Nothing in paragraph (i) above shall require a Treaty Lender to:
- (A) register under the HMRC DT Treaty Passport scheme;
  - (B) apply the HMRC DT Treaty Passport scheme to any Loan if it has so registered; or
  - (C) file Treaty forms if it has included an indication to the effect that it wishes the HMRC DT Treaty Passport scheme to apply to this Agreement in accordance with paragraph (h) below or paragraph (a) of Clause 12.8 (HMRC DT Treaty Passport scheme confirmation) and the Obligor making that payment has not complied with its obligations under paragraph (i) below or paragraph (b) of Clause 12.8 (HMRC DT Treaty Passport scheme confirmation).



- (h) A Treaty Lender which becomes a Party on the day on which this Agreement is entered into that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall include an indication to that effect (for the benefit of the Facility Agent and without liability to any Obligor) by including its scheme reference number and its jurisdiction of tax residence opposite its name in Schedule 1 (The Original Parties).
- (i) Where a Lender includes the indication described in paragraph (h) above in Schedule 1 (The Original Parties):
  - (i) each Original Borrower shall file a duly completed form DTTP2 in respect of such Lender with HMRC within 30 days of the date of this Agreement and shall promptly provide the Lender with a copy of that filing; and
  - (ii) each Additional Borrower shall file a duly completed form DTTP2 in respect of such Lender with HMRC within 30 days of becoming an Additional Borrower and shall promptly provide the Lender with a copy of that filing.
- (j) If a Lender has not included an indication to the effect that it wishes the HMRC DT Treaty Passport scheme to apply to this Agreement in accordance with paragraph (h) above or paragraph (a) of Clause 12.8 (HMRC DT Treaty Passport scheme confirmation), no Obligor shall file any form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's Commitment(s) or its participation in any Loan.

### 12.3 Tax indemnity

- (a) Except as provided below, the Parent must pay to a Finance Party the amount equal to any loss liability or cost which that Finance Party (in its absolute discretion) determines will be or has been suffered (directly or indirectly) by that Finance Party for or on account of Tax in relation to a payment received or receivable (or any payment deemed to be received or receivable) under a Finance Document.
- (b) Paragraph (a) above does not apply to:
  - (i) any Tax assessed on a Finance Party under the laws of the jurisdiction in which:
    - (A) that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
    - (B) that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,if that Tax is imposed on or calculated by reference to the net income received or receivable by that Finance Party. However, any payment deemed to be received or receivable, including any amount treated as income but not actually received by the Finance Party, such as a Tax Deduction, will not be treated as net income received or receivable for this purpose; and
  - (ii) to the extent a loss, liability or cost:
    - (A) is compensated for by an increased payment under Clause 12.2 (Tax gross-up); or

- (B) would have been compensated for by an increased payment under Clause 12.2 (Tax gross-up) but was not so compensated solely because one of the exclusions in Clause 12.2 (Tax gross-up) applied.
- (c) A Finance Party making, or intending to make, a claim under paragraph (a) above must promptly notify the Facility Agent of the event which will give, or has given, rise to the claim following which the Facility Agent shall promptly notify the Parent.
- (d) A Finance Party shall on receiving a payment from an Obligor under this Clause 12.3, notify the Facility Agent.

#### 12.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party (in its absolute discretion) determines that:

- (a) a Tax Credit is attributable to that Tax Payment; and
- (b) it has obtained, used and fully retained that Tax Credit on an affiliated group basis,

the Finance Party must pay an amount to the Obligor which that Finance Party determines (in its absolute discretion) will leave it (after that payment) in the same after-tax position as it would have been if the Tax Payment had not been required to be made by the Obligor.

#### 12.5 Stamp taxes

The Parent must pay and indemnify each Finance Party against any cost, loss or liability that the Finance Party incurs in relation to all stamp duty, stamp duty land tax, registration or other similar Tax payable in connection with the entry into, performance or enforcement of any Finance Document, except for any such Tax payable in connection with the entry into a Transfer Certificate.

#### 12.6 Value added taxes

- (a) All amounts set out or expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is or becomes chargeable on such supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and that Finance Party is required to account to the relevant tax authority for the VAT, that Party shall pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such VAT (and such Finance Party shall promptly provide an appropriate VAT invoice to such Party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the “**Supplier**”) to any other Finance Party (the “**Recipient**”) under a Finance Document, and any Party other than the Recipient (the “**Relevant Party**”) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
- (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and

- (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (d) Any reference in this Clause 12.6 to any Party shall, at any time when that Party is treated as a member of a group or unity (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules (provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union) so that a reference to a Party shall be construed as a reference to that Party or the relevant group or unity (or fiscal unity) of which that Party is a member for VAT purposes at the relevant time or the relevant representative member (or representative or head) of that group or unity at the relevant time (as the case may be).
- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

### 12.7 Lender Status Confirmation

Each Lender which becomes a Party to this Agreement after the date of this Agreement shall indicate, in the Transfer Certificate which it executes on becoming a Party, and for the benefit of the Facility Agent and without liability to any Obligor, which of the following categories it falls in:

- (a) a UK Lender;
- (b) a Treaty Lender; or
- (c) a US Qualifying Lender

If a New Lenders fails to indicate its status in accordance with this Clause 12.7 then said New Lender shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Lender until such time as it notifies the Facility Agent which category applies (and the Facility Agent, upon receipt of such notification, shall inform the Parent). A Transfer Certificate shall not be invalidated by any failure of a Lender to comply with this Clause 12.7.

## 12.8 HMRC DT Treaty Passport scheme confirmation

- (a) A New Lender (as defined in Clause 29.1 (Assignments and transfers by Lenders) that is a Treaty Lender that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall include an indication to that effect (for the benefit of the Facility Agent and without liability to any Obligor) in the Transfer Certificate which it executes by including its scheme reference number and its jurisdiction of tax residence in that Transfer Certificate.
- (b) Where a New Lender (as defined in Clause 29.1 (Assignments and transfers by Lenders) includes the indication described in paragraph (a) above in the relevant Transfer Certificate:
  - (i) each Borrower which is a Borrower as at the relevant Transfer Date (as defined in Clause 29.5 (Procedure for transfer using a Transfer Certificate)) shall, to the extent that that New Lender becomes a Lender under a Facility which is made available to that Borrower pursuant to Clause 2.1 (Facility), file a duly completed form DTTP2 in respect of such Lender with HMRC within 30 days of that Transfer Date and shall promptly provide the Lender with a copy of that filing; and
  - (ii) each Additional Borrower which becomes an Additional Borrower after the relevant Transfer Date (as defined in Clause 29.5 (Procedure for transfer using a Transfer Certificate)) shall, to the extent that that New Lender (as defined in Clause 29.1 (Assignments and transfers by Lenders)) is a Lender under a Facility which is made available to that Additional Borrower pursuant to Clause 2.1 (Facility), file a duly completed form DTTP2 in respect of such Lender with HMRC within 30 days of becoming an Additional Borrower and shall promptly provide the Lender with a copy of that filing.

## 13. INCREASED COSTS

### 13.1 Increased Costs

Except as provided below in this Clause, the Borrowers must pay to a Finance Party the amount of any Increased Cost incurred by that Finance Party or any of its Affiliates as a result of:

- (a) the introduction of, or any change in, or any change in the interpretation, administration or application of, any law or regulation; or
- (b) compliance with any law or regulation made after the date of this Agreement.

### 13.2 Exceptions

The Borrowers need not make any payment for an Increased Cost to the extent that the Increased Cost is:

- (a) compensated for under another Clause or would have been but for an exception to that Clause;
- (b) attributable to a Finance Party or its Affiliate wilfully failing to comply with any law or regulation; or
- (c) compensated for by payment of the Mandatory Cost.

**13.3 Claims**

- (a) A Finance Party intending to make a claim for an Increased Cost must notify the Facility Agent of the circumstances giving rise to and the amount of the claim, following which the Facility Agent will promptly notify the Borrowers.
- (b) Each Finance Party must, as soon as practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Increased Cost.

**14. MITIGATION****14.1 Mitigation**

- (a) Each Finance Party must, in consultation with the Borrowers, take all reasonable steps to mitigate any circumstances which arise and which result or would result in:
  - (i) any Tax Payment or Increased Cost being payable to that Finance Party;
  - (ii) that Finance Party being able to exercise any right of prepayment and/or cancellation under this Agreement by reason of any illegality; or
  - (iii) that Finance Party incurring any cost of complying with the minimum reserve requirements of the European Central Bank, including transferring its rights and obligations under the Finance Documents to an Affiliate or changing its Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.
- (c) The Parent must indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of any step taken by it under this Subclause.
- (d) A Finance Party is not obliged to take any step under this Subclause if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

**14.2 Conduct of business by a Finance Party**

No term of any Finance Document will:

- (a) interfere with the right of any Finance Party to arrange its affairs (Tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it in respect of Tax or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (Tax or otherwise) or any computation in respect of Tax.

## 15. PAYMENTS

### 15.1 Place

Unless a Finance Document specifies that payments under it are to be made in another manner, all payments by a Party (other than the Facility Agent) under the Finance Documents must be made to the Facility Agent to its account at such office or bank:

- (a) in the principal financial centre of the country of the relevant currency; or
- (b) in the case of Euro, in the principal financial centre of a Participating Member State or London,

as it may notify to that Party for this purpose by not less than five Business Days' prior notice.

### 15.2 Funds

Unless a contrary indication appears in any Finance Document, payments under the Finance Documents to the Facility Agent must be made for value on the due date at such times and in such funds as the Facility Agent may specify to the Party concerned as being customary at the time for the settlement of transactions in the relevant currency in the place for payment.

### 15.3 Distribution

- (a) Each payment received by the Facility Agent under the Finance Documents for another Party must, except as provided below, be made available by the Facility Agent to that Party by payment (as soon as practicable after receipt) to its account with such office or bank:
  - (i) in the principal financial centre of the country of the relevant currency; or
  - (ii) in the case of Euro, in the principal financial centre of a Participating Member State or London,as it may notify to the Facility Agent for this purpose by not less than five Business Days' prior notice.
- (b) The Facility Agent may apply any amount received by it for an Obligor in or towards payment (as soon as practicable after receipt) of any amount due from that Obligor under the Finance Documents; or in or towards the purchase of any amount of any currency to be so applied.
- (c) Where a sum is paid to the Facility Agent under this Agreement for another Party, the Facility Agent is not obliged to pay that sum to that Party until it has established that it has actually received it. However, the Facility Agent may assume that the sum has been paid to it, and, in reliance on that assumption, make available to that Party a corresponding amount. If it transpires that the sum has not been received by the Facility Agent, that Party must immediately on demand by the Facility Agent refund any corresponding amount made available to it together with interest on that amount from the date of payment to the date of receipt by the Facility Agent at a rate calculated by the Facility Agent to reflect its cost of funds.

#### 15.4 Currency

- (a) Unless a Finance Document specifies that payments under it are to be made in a different manner, the currency of each amount payable under the Finance Documents is determined under this Subclause.
- (b) Interest is payable in the currency in which the relevant amount in respect of which it is payable is denominated.
- (c) A repayment or prepayment of any principal amount is payable in the currency in which that principal amount is denominated on its due date.
- (d) Amounts payable in respect of Taxes, fees, costs and expenses are payable in the currency in which they are incurred.
- (e) Each other amount payable under the Finance Documents is payable in US Dollars.

#### 15.5 No set-off or counterclaim

All payments made by an Obligor under the Finance Documents must be calculated and made without (and free and clear of any deduction for) set-off or counterclaim.

#### 15.6 Business Days

- (a) If a payment under the Finance Documents is due on a day which is not a Business Day, the due date for that payment will instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not) or whatever day the Facility Agent determines (acting reasonably) is market practice.
- (b) During any extension of the due date for payment of any principal under this Agreement interest is payable on that principal at the rate payable on the original due date.

#### 15.7 Partial payments

- (a) If the Facility Agent receives a payment insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Facility Agent must apply that payment towards the obligations of the Obligors under the Finance Documents in the following order:
  - (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of the Administrative Parties under the Finance Documents;
  - (ii) **secondly**, in or towards payment pro rata of any accrued interest or fee due but unpaid under this Agreement;
  - (iii) **thirdly**, in or towards payment pro rata of any principal amount due but unpaid under this Agreement; and
  - (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.
- (b) The Facility Agent must, if so directed by the Lenders, vary the order set out in sub-paragraphs (a)(ii) to (iv) above.
- (c) This Subclause will override any appropriation made by an Obligor.

## 15.8 Disruption to payment systems

- (a) If the Facility Agent determines (in its discretion) that a Disruption Event has occurred or a Borrower notifies the Facility Agent that a Disruption Event has occurred, the Facility Agent:
- (i) may, and must if requested by that Borrower, enter into discussions with the Parent for a period of not more than five Business Days with a view to agreeing any changes to the operation or administration of the Facility (**changes**) as the Facility Agent may decide is necessary;
  - (ii) is not obliged to enter into discussions with the Parent in relation to any changes if, in its opinion, it is not practicable so to do, and has no obligation to agree to any changes;
  - (iii) may consult with the Finance Parties in relation to any changes but is not obliged so to do if, in its opinion, it is not practicable in the circumstances; and
  - (iv) must notify the Finance Parties of any changes agreed under this Subclause.
- (b) Any agreement between the Facility Agent and the Parent will be, (whether or not it is finally determined that a Disruption Event has occurred), binding on the Parties notwithstanding the provisions of Clause 27 (Amendments and Waivers).
- (c) The Facility Agent accepts the discretions given to it by this Subclause only on the basis that it will not be liable (either in contract or tort) for any damages, costs or losses of any kind which any Party may incur or sustain as a result of the Facility Agent taking or not taking any action under this Subclause.
- (d) If the Facility Agent makes any payment to any person in respect of a liability incurred as a result of taking or not taking any action under this Subclause, the amount of that payment is an amount in respect of which each Lender must indemnify the Facility Agent for that Lender's Pro Rata Share of any loss or liability incurred by the Facility Agent under this Subclause (unless the Facility Agent has been reimbursed by an Obligor under a Finance Document).
- (e) Paragraph (d) above applies notwithstanding:
- (i) any other term of any Finance Document (including any term in Clause 22 (The Administrative Parties); and
  - (ii) irrespective of whether the payment was made as a result of actual or alleged negligence or gross negligence or wilful misconduct of the Facility Agent but so that the Facility Agent has no indemnity for claims against it which arise as a result of fraud by the Facility Agent.

## 15.9 Timing of payments

If a Finance Document does not provide for when a particular payment is due, that payment will be due within three Business Days of demand by the relevant Finance Party.

## 16. GUARANTEE AND INDEMNITY

### 16.1 Guarantee and indemnity

Each Guarantor jointly and severally and irrevocably and unconditionally:

- (a) guarantees to each Finance Party punctual performance by each Borrower of all its obligations under the Finance Documents;



- (b) undertakes with each Finance Party that, whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, it must immediately on demand by the Facility Agent pay that amount as if it were the principal obligor in respect of that amount; and
- (c) agrees with each Finance Party that if, any amount claimed by a Finance Party under this Clause is or becomes unenforceable, invalid or illegal then that Guarantor will be liable as a principal debtor and primary obligor to indemnify that Finance Party in respect of any loss it incurs as a result of a Borrower failing to pay any amount expressed to be payable by it under a Finance Document on the date when it ought to have been paid. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause had the amount claimed been recoverable on the basis of a guarantee.

#### **16.2 Continuing guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of all sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

#### **16.3 Reinstatement**

- (a) If any discharge (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation, administration or otherwise without limitation, the liability of each Guarantor under this Clause will continue or be reinstated as if the discharge or arrangement had not occurred.
- (b) Each Finance Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

#### **16.4 Waiver of defences**

The obligations of each Guarantor under this Clause will not be affected by any act, omission or thing (whether or not known to it or any Finance Party) which, but for this provision, would reduce, release or prejudice any of its obligations under this Clause. This includes:

- (a) any time or waiver granted to, or composition with, any person;
- (b) any release of any person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (f) any amendment of a Finance Document or any other document or security;

- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security; or
- (h) any insolvency or similar proceedings.

#### **16.5 Immediate recourse**

- (a) Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person before claiming from that Guarantor under this Clause.
- (b) This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

#### **16.6 Appropriations**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may without affecting the liability of any Guarantor under this Clause:

- (a)
  - (i) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) against those amounts; or
  - (ii) apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise); and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of that Guarantor's liability under this Clause.

#### **16.7 Non-competition**

Unless:

- (a) all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full; or
- (b) the Facility Agent otherwise directs,

no Guarantor will, after a claim has been made or by virtue of any payment or performance by it under this Clause:

- (i) be subrogated to any rights, security or moneys held, received or receivable by any Finance Party (or any trustee or agent on its behalf);
- (ii) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of that Guarantor's liability under this Clause;
- (iii) claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with any Finance Party (or any trustee or agent on its behalf); or
- (iv) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against any Obligor.

Each Guarantor must hold in trust for and immediately pay or transfer to the Facility Agent for the Finance Parties any payment or distribution or benefit of security received by it contrary to this Clause or in accordance with any directions given by the Facility Agent under this Clause.

#### 16.8 Release of Guarantors' right of contribution

If any Guarantor ceases to be a Guarantor in accordance with the terms of the Finance Documents:

- (a) that Guarantor will be released by each other Guarantor from any liability whatsoever to make a contribution to such other Guarantor arising by reason of the performance by such other Guarantor of its obligations under the Finance Documents; and
- (b) each other Guarantor will waive any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of any Finance Party under any Finance Document or of any other security taken under, or in connection with, any Finance Document where the rights or security are granted by or in relation to the assets of the retiring Guarantor.

#### 16.9 US Guarantors

- (a) In this sub-Clause:

**fraudulent transfer law** means any applicable United States of America bankruptcy and State fraudulent transfer and conveyance statute and any related case law.

- (b) Each US Guarantor acknowledges that:
  - (i) it will receive valuable direct or indirect benefits as a result of the transactions financed by the Finance Documents;
  - (ii) those benefits will constitute reasonably equivalent value and fair consideration for the purpose of any fraudulent transfer law; and
  - (iii) each Finance Party has acted in good faith in connection with the guarantee given by that US Guarantor and the transactions contemplated by the Finance Documents.
- (c) Each Finance Party agrees that each US Guarantor's liability under this sub-Clause is limited so that no obligation of, or transfer by, any US Guarantor under this sub-Clause is subject to avoidance and turnover under any fraudulent transfer law.

#### 16.10 UAE provisions

- (a) In this sub-Clause:
  - (i) **UAE** means the United Arab Emirates; and
  - (ii) **UAE Civil Code** means UAE federal law no. 5 of 1985 regarding civil transactions law (as amended by UAE federal law no. 1 of 1987).
- (b) To the extent possible under the UAE Civil Code:
  - (i) each Guarantor expressly agrees that the provisions of Article 1092 of the UAE Civil Code, to the extent that a court would hold this Article to be applicable to this Agreement, will not apply to this Agreement; and

- (ii) no Finance Party (or any trustee or agent on its behalf) will be obliged to make any demand within the 6-month period mentioned in Article 1092 of the UAE Civil Code.

#### **16.11 Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other security now or subsequently held by any Finance Party.

#### **16.12 Limitations**

- (a) This guarantee does not apply to any liability to the extent it would result in this guarantee constituting unlawful financial assistance under any applicable laws.
- (b) The obligations of any Additional Guarantor are subject to the limitations (if any) set out in the Accession Agreement executed by that Additional Guarantor.

### **17. REPRESENTATIONS AND WARRANTIES**

#### **17.1 Representations and warranties**

Unless otherwise stated, the representations and warranties set out in this Clause are made by each Obligor to each Finance Party.

#### **17.2 Status**

- (a) It is a limited liability company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.
- (b) It and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

#### **17.3 Powers and authority**

It has the power to enter into and perform, and has taken all necessary action to authorise the entry into and performance of, the Finance Documents to which it is or will be a party and the transactions contemplated by those Finance Documents.

#### **17.4 Legal validity**

- (a) Subject to any general principles of law limiting its obligations and referred to in any legal opinion required under this Agreement, each Finance Document to which it is a party is its legally binding, valid and enforceable obligation.
- (b) Subject to translations into Arabic, each Finance Document to which it is a party is in the proper form for its admissibility in evidence and/or enforcement in the jurisdiction of its incorporation.

#### **17.5 Non-conflict**

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not conflict with:

- (a) any law or regulation applicable to it;

- (b) its constitutional documents; or
- (c) any document which is binding upon it or any of its assets.

#### **17.6 No default**

- (a) No Default is outstanding or will result from the entry into of, or the performance of any transaction contemplated by, any Finance Document; and
- (b) no other event or circumstance is outstanding which constitutes a default under any document which is binding on it or any of its Subsidiaries or any of its or its Subsidiaries' assets to an extent or in a manner which has or is reasonably likely to have a Material Adverse Effect.

#### **17.7 Authorisations**

All authorisations required by it in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, the Finance Documents have been obtained or effected (as appropriate) and are in full force and effect.

#### **17.8 Financial statements**

Its audited financial statements most recently delivered to the Facility Agent, and on the date of this Agreement the Original Financial Statements:

- (a) have been prepared in accordance with GAAP, consistently applied; and
- (b) give a true and fair view of its financial condition (or, in the case of the Original Financial Statements, the financial condition of the Group) as at the date to which they were drawn up,

except, in each case, as disclosed to the contrary in those financial statements.

#### **17.9 No material adverse change**

There has been no material adverse change in the business, consolidated financial condition, or operations of the Group (taken as a whole) since the date to which the Original Financial Statements were drawn up.

#### **17.10 Litigation**

No litigation, arbitration or administrative proceedings against any member of the Group are current or, to its knowledge, pending or threatened, which have or, if adversely determined, are reasonably likely to have a Material Adverse Effect.

#### **17.11 Intellectual Property**

- (a) It:
  - (i) is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all the Intellectual Property which is material in the context of its business and which is required by it in order to carry on its business;
  - (ii) has taken all formal or procedural actions (including payment of fees) required to maintain that Intellectual Property; and

- (iii) does not, in carrying on its business, infringe any Intellectual Property of any third party in any respect which has a Material Adverse Effect.
- (b) None of its Intellectual Property is being infringed, nor (to its knowledge) is there any threatened infringement of any of that Intellectual Property, in any material respect.

#### **17.12 Information**

- (a) All written information supplied by or on behalf of it to the Finance Parties in connection with the Finance Documents (including the documents and certificates specified in Schedule 2 (Conditions Precedent Documents)) was true and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it is stated to be given.
- (b) The financial projections supplied by or on behalf of it to the Finance Parties in connection with the Finance Documents have been prepared as at their date, on the basis of most recent historical information and assumptions believed by the Parent to be fair and reasonable.
- (c) It has not omitted to supply any information which, if disclosed, would make the information supplied by it untrue or misleading in any material respect.
- (d) As at the date of this Agreement, nothing has occurred since the date of any information supplied by or on behalf of it to the Finance Parties which, if disclosed, would make the information supplied by it untrue or misleading in any material respect.

#### **17.13 Taxes on payments**

As at the date of this Agreement, all amounts payable by it under the Finance Documents to a Qualifying Lender (except for amounts payable to a Lender that is a Qualifying Lender by reason of paragraph (d) of the definition of US Qualifying Lender under Clause 12.1 (General)) may be made without any Tax Deduction (except for any Tax Deduction imposed by FATCA (as defined under Clause 12.1 (General))).

#### **17.14 Stamp duties**

As at the date of this Agreement

- (a) no stamp or registration duty or similar Tax or charge is payable in its jurisdiction of incorporation in respect of any Finance Document; and
- (b) under the laws of its jurisdiction of incorporation it is not necessary that any Finance Document be filed, recorded or enrolled with any court or other authority in that jurisdiction.

#### **17.15 No adverse consequences**

- (a) It is not necessary under the laws of its jurisdiction of incorporation:
  - (i) in order to enable any Finance Party to enforce its rights under any Finance Document; or
  - (ii) by reason of the entry into of any Finance Document or the performance by it of its obligations under any Finance Document, that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in its jurisdiction of incorporation; and

- (b) no Finance Party is or will be deemed to be resident, domiciled or carrying on business in its jurisdiction of incorporation by reason only of the entry into, performance and/or enforcement of any Finance Document.

#### **17.16 Pari passu ranking**

Its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

#### **17.17 Jurisdiction and governing law**

Subject to any reservations as to matters of law set out in the legal opinions referred to in Part 1 of Schedule 2 (Conditions Precedent Documents):

- (a) its:
  - (i) irrevocable submission under this Agreement to the jurisdiction of the courts of England;
  - (ii) agreement that this Agreement is governed by English law; and
  - (iii) agreement not to claim any immunity to which it or its assets may be entitled, are legal, valid and binding under the laws of its jurisdiction of incorporation; and
- (b) any judgment obtained in England will be recognised and be enforceable by the courts of its jurisdiction of incorporation.

#### **17.18 US Guarantors**

Each US Guarantor represents and warrants to each Finance Party that:

- (a) the aggregate amount of its debts (including its obligations under the Finance Documents) is less than the aggregate value (being the lesser of fair valuation and present fair saleable value) of its assets;
- (b) its capital is not unreasonably small to carry on its business as it is being conducted;
- (c) it has not incurred and does not intend to incur debts beyond its ability to pay as they mature; and
- (d) it has not made a transfer or incurred any obligation under any Finance Document with the intent to hinder, delay or defraud any of its present or future creditors.

#### **17.19 ERISA and Multiemployer Plans**

Each US Obligor represents and warrants to each Finance Party that:

- (a) each Employee Plan is in compliance in form and operation with ERISA and the Code and all other applicable laws and regulations save where any failure to comply would not reasonably be expected to have a Material Adverse Effect;

- (b) each Employee Plan which is intended to be qualified under Section 401(a) of the Code has been determined by the IRS to be so qualified or is in the process of being submitted to the IRS for approval or will be so submitted during the applicable remedial amendment period, and, nothing has occurred since the date of such determination that would adversely affect such determination (or, in the case of an Employee Plan with no determination, nothing has occurred that would adversely affect such qualification), except as would not reasonably be expected to have a Material Adverse Effect;
- (c) there exists no Unfunded Pension Liabilities with respect to Employee Plans in the aggregate, taking into account only Employee Plans with positive Unfunded Pension Liabilities, except as would not have a Material Adverse Effect;
- (d) neither any US Obligor nor any ERISA Affiliate is making or accruing an obligation to make contributions or has within any of the five calendar years immediately preceding the date of this Agreement made or accrued an obligation to make contributions to any Multiemployer Plan, except as would not reasonably be expected to have a Material Adverse Effect;
- (e) there are no actions, suits or claims pending against or involving an Employee Plan (other than routine claims for benefits) or, to the knowledge of the Borrowers, any US Obligor or any ERISA Affiliate, threatened, which would reasonably be expected to be asserted successfully against any Employee Plan and, if so asserted successfully, would reasonably be expected, either singly or in the aggregate, to have a Material Adverse Effect;
- (f) each US Obligor and any ERISA Affiliate has made all material contributions to or under each such Employee Plan required by law within the applicable time limits prescribed thereby, the terms of such Employee Plan, or any contract or agreement requiring contributions to an Employee Plan save where any failure to comply, either singly or in the aggregate, would not reasonably be expected to have a Material Adverse Effect;
- (g) neither any US Obligor nor any ERISA Affiliate has ceased operations at a facility so as to become subject to the provisions of Section 4068 (a) of ERISA, withdrawn as a substantial employer so as to become subject to the provisions of Section 4063 of ERISA or ceased making contributions to any Employee Plan subject to Section 4064(a) of ERISA to which it made contributions, save where any such failure would not reasonably be expected to have a Material Adverse Effect; and
- (h) neither any US Obligor nor any ERISA Affiliate has incurred or reasonably expects to incur any liability to PBGC save for any liability for premiums due in the ordinary course or other liability which would not reasonably be expected to have, either singly or in the aggregate, a Material Adverse Effect.

#### **17.20 United States laws**

No Obligor is required to be registered as an investment company (as defined in the United States Investment Company Act of 1940) or is subject to regulation under the United States Investment Company Act of 1940.

#### **17.21 Sanctions**

- (a) No member of the Group (i) is a Restricted Party or (ii) has engaged in any transaction or conduct that would reasonably be expected to result in it becoming a Restricted Party.



- (b) The operations of each member of the Group are and have been conducted at all times in compliance with all anti-money laundering laws and all applicable financial record keeping and reporting requirements, rules, regulations and guidelines applicable to such member of the Group (collectively, **Money Laundering Laws**) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving any member of the Group with respect to Money Laundering Laws is pending and, to the best of the Obligor's knowledge, no such actions, suits or proceedings are threatened or contemplated.
- (c) No member of the Group, nor any of their respective directors, officers, employees or affiliates nor, to the best of their collective knowledge after due inquiry, any agents or other persons acting on behalf of any of the foregoing, directly or indirectly, has (i) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977 or the UK Bribery Act 2010; (ii) violated or is in violation of any applicable anti-bribery or anti-corruption law or regulation enacted in any jurisdiction, whether in connection with or arising from the OECD Convention Combating Bribery of Foreign Public Officials in International Business Transactions or otherwise; (iii) made, offered to make, promised to make or authorised the payment or giving of, or requested, agreed to receive or accepted, directly or indirectly, any bribe, rebate, payoff, influence payment, facilitation payment, kickback or other unlawful payment or gift of money or anything of value prohibited under any applicable law or regulation (any such payment, a **Prohibited Payment**); or (iv) been subject to any investigation by any governmental entity with regard to any actual or alleged Prohibited Payment.

#### 17.22 Times for making representations and warranties

- (a) The representations and warranties set out in this Clause are made by each Obligor on the date of this Agreement.
- (b) Unless a representation and warranty is expressed to be given at a specific date, each representation and warranty is deemed to be repeated by each Obligor:
  - (i) on the date of each Accession Agreement; and
  - (ii) on the date of each Request and the first day of each Term.
- (c) When a representation and warranty in Clause 19.6(a) (No Default) is repeated on a Request for a Rollover Loan or the first day of a Term for a Rollover Loan, the reference to a Default will be construed as a reference to an Event of Default.
- (d) When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

### 18. INFORMATION COVENANTS

#### 18.1 Financial statements

- (a) The Parent must supply to the Facility Agent in sufficient copies for all the Lenders:
  - (i) the audited consolidated financial statements for each Obligor (including the Parent), for each of their financial years;
  - (ii) for each of its financial years, a statement from its auditors identifying any items in its audited consolidated accounts for that financial year which would be eliminated if those financial statements did not consolidate results of the members of the Wider Group which are not members of the Group;

- (iii) for each financial quarter of each of their financial years, a set of the unaudited consolidated management accounts of each Obligor (including the Parent); and
  - (iv) for the first half of each of their financial years, a set of the unaudited interim financial consolidated statements of each Obligor (including the Parent);
  - (v) for each of the first half of its financial years, a statement from the chief financial officer of the Parent identifying any items in its unaudited interim financial consolidated statements which would be eliminated if those financial statements did not consolidate results of the members of the Wider Group which were not members of the Group; and
  - (vi) in respect of EIML;
    - (A) for each of its financial years, its audited consolidated financial statements (to the extent available); and
    - (B) for the first half of each of its financial years, a set of its unaudited interim financial consolidated statements (to the extent available).
- (b) All financial statements must be supplied as soon as they are available and:
- (i) in the case of any Obligor's audited consolidated financial statements, the Parent's auditor's statement in respect of the audited consolidated financial statements of the Parent and the audited consolidated financial statements of EIML (to the extent available), within 180 days;
  - (ii) in the case of any Obligor's interim unaudited consolidated financial statements or the interim unaudited consolidated financial statements of EIML (to the extent available), within 90 days; and
  - (iii) in the case of any Obligor's unaudited consolidated quarterly management accounts, within 45 days,
- of the end of the relevant financial period.

## 18.2 Form of financial statements

- (a) The Parent must ensure that each set of financial statements supplied under this Agreement gives (if audited) a true and fair view of, or (if unaudited) fairly represents, the financial condition (consolidated or otherwise) of the relevant person as at the date to which those financial statements were drawn up.
- (b) The Parent must notify the Facility Agent of any change to the manner in which its audited consolidated financial statements are prepared.
- (c) If requested by the Facility Agent, the Parent must supply to the Facility Agent:
  - (i) a full description of any change notified under paragraph (b) above; and
  - (ii) sufficient information to enable the Finance Parties to make a proper comparison between the financial position shown by the set of financial statements prepared on the changed basis and the most recent audited consolidated financial statements of the Parent delivered to the Facility Agent under this Agreement.

- (d) If requested by the Facility Agent, the Parent must enter into discussions for a period of not more than 30 days with a view to agreeing any amendments required to be made to this Agreement to place the Parent and the Lenders in the same position as they would have been in if the change had not happened. Any agreement between the Parent and the Facility Agent (acting on the instructions of the Majority Lenders) will be binding on all the Parties.
- (e) If no agreement is reached under paragraph (d) above on the required amendments to this Agreement, the Parent must supply with each set of its financial statements another set of its financial statements prepared on the same basis as the Original Financial Statements.

### **18.3 Compliance Certificate**

- (a) The Parent must supply to the Facility Agent a Compliance Certificate with each set of its consolidated financial statements under Clauses 18.1(a)(i), (iii) and (iv) sent to the Facility Agent under this Agreement.
- (b) A Compliance Certificate must be signed by two authorised signatories of the Parent, one of which must be the finance director, and, in the case of a Compliance Certificate supplied with its annual audited consolidated financial statements, its auditors.

### **18.4 Information - miscellaneous**

The Parent must supply to the Facility Agent, in sufficient copies for all the Lenders if the Facility Agent so requests:

- (a) copies of all documents despatched by the Parent to its shareholders (or any class of them) or its creditors generally or any class of them at the same time as they are despatched;
- (b) promptly upon becoming aware of them, details of any litigation, arbitration or administrative proceedings against any member of the Group which are current, threatened or pending and which have or might, if adversely determined, have a Material Adverse Effect;
- (c) promptly on written request, such further information regarding the financial condition, business and operations of any member of the Group (including, but not limited to, additional financial statements providing a detailed breakdown of the EBITDA ((as defined in Clause 19 (Financial Covenants))), gross assets and turnover of both the Adjusted Group and the Indian Group) as any Finance Party through the Facility Agent may reasonably request at appropriate and reasonable times;
- (d) promptly upon receipt, a copy of any written notice of any termination, amendment or waiver request proposed or executed by any person in relation to the Relationship Agreement, along with such documents and additional information as the Facility Agent may require to fully understand the scope, extent and consequences of any such proposed amendment or waiver; and
- (e) promptly on request, and with each set of annual financial statements delivered under Clause 18.1(a)(i) (Financial statements), a list of the then current Material Companies.

### **18.5 Notification of Default**

- (a) Unless the Facility Agent has already been so notified by another Obligor, each Obligor must notify the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

- (b) Promptly on request by the Facility Agent, the Parent must supply to the Facility Agent a certificate, signed by two of its authorised signatories on its behalf, certifying that no Default is outstanding or, if a Default is outstanding, specifying the Default and the steps, if any, being taken to remedy it.

#### 18.6 Year end

No Borrower may change its financial year end without the prior consent of the Facility Agent.

#### 18.7 “Know your customer” requirements

- (a) If:
- (i) the introduction of or any change in (or in the interpretation, application or administration of) any law or regulation made after the date of this Agreement; or
  - (ii) any change in the status of an Obligor after the date of this Agreement; or
  - (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer;

obliges the Facility Agent or any Lender (or in the case of paragraph (iii) above any prospective Lender) to comply with any “know your customer” requirements in circumstances where the necessary information is not readily available to it, each Obligor must promptly on the request of any Finance Party supply to that Finance Party any documentation or other evidence which is reasonably requested by that Finance Party (whether for itself, on behalf of any Finance Party or any prospective new Lender) to enable a Finance Party or prospective new Lender to carry out and be satisfied with the results of all applicable “know your customer” requirements.

- (b) Each Lender must promptly on the request of the Facility Agent supply to the Facility Agent any documentation or other evidence which is reasonably required by the Facility Agent to carry out and be satisfied with the results of all “know your customer” requirements.
- (c) The Parent shall, by not less than ten Business Days’ prior written notice to the Facility Agent, notify the Facility Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Obligor pursuant to Clause 30 (Changes to the Obligors).
- (d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Additional Obligor obliges the Facility Agent or any Lender to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Parent shall promptly upon the request of the Facility Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Facility Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Obligor.

## 19. FINANCIAL COVENANTS

### 19.1 Definitions

In this Clause:

**Accounting Principles** means generally accepted accounting principles in the jurisdiction of incorporation of the relevant Obligor, including IFRS.

**Adjusted EBITDA** means, in relation to a Measurement Period, Consolidated EBITDA for the period adjusted by:

- (a) including the EBITDA attributable to a business or assets acquired by any member of the Group during the Measurement Period for that part of the Measurement Period when such business or assets were not owned by a member of the Group;
- (b) excluding the EBITDA attributable to a business or asset disposed of by any member of the Group during that Measurement Period;
- (c) adding back any impairment of available for-sale financial assets;
- (d) deducting amortisation of capitalised film costs;
- (e) adding back any debt issuance costs to the extent not already included within finance costs;
- (f) adding back any transaction costs relating to equity transactions;
- (g) adding back or deducting (as applicable) any profits or losses on held for trading liabilities (including profits or losses on derivatives); and
- (h) adding back any share based payments.

**Cashflow** means, in respect of any Measurement Period, EBITDA for that Measurement Period after:

- (a) adding the amount of any decrease (and deducting the amount of any increase) in Working Capital for that Measurement Period;
- (b) adding the amount of any cash receipts (and deducting the amount of any cash payments) during that Measurement Period in respect of any Exceptional Items not already taken account of in calculating EBITDA for any Measurement Period;
- (c) deducting the amount of any cash payments made by any member of the Adjusted Group to any member of the Wider Group during that Measurement Period for, or in relation to, capital expenditure to the extent not already taken account of in calculating EBITDA for any Measurement Period;
- (d) adding the amount of any cash receipts during that Measurement Period in respect of any Tax rebates or credits and deducting the amount actually paid or due and payable in respect of Taxes during that Measurement Period by any member of the Adjusted Group;
- (e) adding (to the extent not already taken into account in determining EBITDA) the amount of any dividends or other profit distributions received in cash by any member of the Adjusted Group during that Measurement Period from any entity which is itself not a member of the Adjusted Group and deducting (to the extent not already deducted in determining EBITDA) the amount of any dividends paid in cash during the Measurement Period to minority shareholders in members of the Adjusted Group;

- (f) adding the amount of any cash paid to a member of the Adjusted Group in the Measurement Period that represents repayment of any loan made to any member of the Wider Group;
- (g) adding the amount of any increase in provisions, other non-cash debits and other non-cash charges (which are not Current Assets or Current Liabilities) and deducting the amount of any non-cash credits (which are not Current Assets or Current Liabilities) in each case to the extent taken into account in establishing EBITDA; and
- (h) adding any amounts raised from any equity issuance of the Company on the New York Stock Exchange (including those amounts raised as a result of the Company's listing on the New York Stock Exchange on 12 November 2013)

and so that no amount shall be added (or deducted) more than once.

**Consolidated EBITDA** means the EBITDA of all members of the Group (or the Adjusted Group when calculating the ratio of Cashflow to Debt Service) on a consolidated basis.

**Current Assets** means the aggregate (on a consolidated basis) of all inventory, work in progress, trade and other receivables of each member of the Adjusted Group including prepayments in relation to operating items and sundry debtors (but excluding Eligible Cash and Cash Equivalents) expected to be realised within twelve months from the date of computation but **excluding** amounts in respect of:

- (a) receivables in relation to Tax;
- (b) Exceptional Items and other non-operating items;
- (c) insurance claims; and
- (d) any interest owing to any member of the Adjusted Group.

**Current Liabilities** means the aggregate (on a consolidated basis) of all liabilities (including trade creditors, accruals and provisions) of each member of the Adjusted Group expected to be settled within twelve months from the date of computation but **excluding** amounts in respect of:

- (a) liabilities for Total Borrowings and Finance Costs;
- (b) liabilities for Tax;
- (c) Exceptional Items and other non-operating items;
- (d) insurance claims; and
- (e) liabilities in relation to dividends declared but not paid by the Parent or by a member of the Adjusted Group in favour of a person which is not a member of the Group.

**Debt Service** means, in respect of any Measurement Period, the aggregate of:

- (a) Finance Costs for that Measurement Period;
- (b) the aggregate of all scheduled and mandatory repayments of Total Borrowings falling due and any voluntary prepayments made during that Measurement Period but excluding:

- (i) any amounts falling due under any overdraft or revolving facility and which were available for simultaneous redrawing according to the terms of that facility;
  - (ii) any such obligations owed to any member of the Adjusted Group; and
  - (iii) any prepayment of Total Borrowings existing on the date of this Agreement which is required to be repaid under the terms of this Agreement;
- (c) the amount of any cash dividends or distributions paid or made by the Parent in respect of that Measurement Period; and
- (d) the amount of the capital element of any payments in respect of that Measurement Period payable under any Finance Lease entered into by any member of the Adjusted Group,

and so that no amount shall be included more than once.

**EBITDA** means, in relation to a Measurement Period, the aggregate of consolidated operating profits (including the results from discontinued operations) before finance costs and tax for that Measurement Period, adjusted by:

- (a) taking no account of any material items which represent gains or losses arising on:
- (i) restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring;
  - (ii) disposals of non-current assets;
  - (iii) the disposal of assets associated with discontinued operations; or
  - (iv) other exceptional or extraordinary items;
- (b) taking no account of any unrealised gains or losses on any derivative instrument which is reported through the income statement;
- (c) taking no account of any income or charge attributable to a post-employment benefit scheme other than the current service costs attributable to the scheme;
- (d) adding back any depreciation of tangible assets and amortisation of intangible assets;
- (e) taking no account of any charge for impairment or any reversal of any previous impairment charge made in the period;
- (f) taking no account of accrued interest owing and unpaid to any member of the Group; and
- (g) deducting all non-periodic fees, costs and expenses, stamp, registration and other Taxes incurred by any member of the Group (or the Adjusted Group when calculating the ratio of Cashflow to Debt Service) in connection with the acquisition of another person or asset, to the extent that such costs have not been capitalised.

**Eligible Cash and Cash Equivalents** means, at any time:

- (a) cash in hand or on deposit with any Acceptable Bank;
- (b) certificates of deposit, maturing within one year after the relevant date of calculation, issued by an Acceptable Bank;

- (c) any investment in marketable obligations issued or guaranteed by the government of the United States of America, the UK, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them in each case having a credit rating for its long term unsecured and unsubordinated debt of AA or higher by S&P or Fitch or Aa2 or higher by Moody's which:
  - (i) matures within one year after the date of the relevant calculation; and
  - (ii) is not convertible to any other security;
- (d) open market commercial paper not convertible to any other security:
  - (i) for which a recognised trading market exists;
  - (ii) issued in the United States of America, the UK, any member of the European Economic Area or any Participating Member State;
  - (iii) which matures within one year after the relevant date of calculation; and
  - (iv) which has a credit rating of either A-1 by S&P or Fitch or P-1 by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (e) Sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or any dematerialised equivalent);
- (f) investments accessible within 30 days in money market funds which:
  - (i) have a credit rating of either A-1 or higher by S&P or Fitch or P-1 or higher by Moody's; and
  - (ii) invest substantially all their assets in securities of the types described in paragraphs (b) to (e) above; or
- (g) any other debt, security or investment approved by the Majority Lenders,

in each case, to which any member of the Group (or the Adjusted Group when calculating the ratio of Cashflow to Debt Service) is beneficially entitled (but shall not include any cash deposited by a Subsidiary under a cash pooling arrangement) at that time and which is capable of being applied against Total Borrowings.

**Exceptional Items** means any material items of an unusual or non-recurring nature which represent gains or losses including those arising on:

- (a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;
- (b) disposals, revaluations or impairment of non-current assets; and
- (c) disposals of assets associated with discontinued operations.



**Finance Costs** means, in relation to a Measurement Period, the aggregate of all interest, commission, fees, discounts, premiums, charges and other finance costs (whether paid, payable or added to principal) incurred by the Group (or the Adjusted Group when calculating the ratio of Cashflow to Debt Service) during that period (calculated on a consolidated basis).

**Finance Lease** means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease.

**Measurement Period** means each period of 12 months ending on the last day of a financial quarter-year of the Parent.

**Net Finance Costs** means, for any Measurement Period, the Finance Costs for that Measurement Period after deducting any interest payable in that Measurement Period to any member of the Group on any Eligible Cash and Cash Equivalents.

**New Shareholder Injections** means the aggregate amount subscribed for and paid to the Parent in cash by any person (other than a member of the Group) for any ordinary share capital of the Parent or by way of Financial Indebtedness of the Parent owing to any person other than a member of the Group which is subordinated on terms acceptable to the Majority Lenders.

**Total Borrowings** means, in respect of the Group (or the Adjusted Group when calculating the ratio of Cashflow to Debt Service), at any time, the aggregate of the following liabilities calculated at the nominal, principal or other amount at which the liabilities would be carried in the consolidated balance sheet of the Parent drawn up at that time (or in the case of any guarantee, indemnity or similar assurance referred to in paragraph (i) below, the maximum liability under the relevant instrument):

- (a) any moneys borrowed;
- (b) any redeemable preference shares;
- (c) any acceptance under any acceptance credit (including any dematerialised equivalent);
- (d) any bond, note, debenture, loan stock or other similar instrument;
- (e) any indebtedness under a finance or capital lease;
- (f) any moneys owing in connection with the sale or discounting of receivables (except to the extent that there is no recourse);
- (g) any indebtedness arising from any deferred payment agreements arranged primarily as a method of raising finance or financing the acquisition of an asset;
- (h) any indebtedness arising in connection with any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing; and
- (i) any indebtedness of any person of a type referred to in the above paragraphs which is the subject of a guarantee, indemnity or similar assurance against financial loss given by a member of the Group.

**Total Net Borrowings** means at any time Total Borrowings of the Group (or the Adjusted Group when calculating the ratio of Cashflow to Debt Service) less Eligible Cash and Cash Equivalents of the Group (or the Adjusted Group when calculating the ratio of Cashflow to Debt Service).

**Working Capital** means, on any date, Current Assets less Current Liabilities.

## 19.2 Interpretation

- (a) Except as provided to the contrary in this Agreement, an accounting term used in this Clause is to be construed in accordance with the principles applied in connection with the Original Financial Statements.
- (b) Any amount in a currency other than US Dollars is to be taken into account at its US Dollar equivalent calculated on the basis of:
  - (i) the Facility Agent's Spot Rate of Exchange for the purchase of the relevant currency in the London foreign exchange market with US Dollars at or about 11.00 a.m. on the day the relevant amount falls to be calculated; or
  - (ii) if the amount is to be calculated on the last day of a financial period of the Parent, the relevant rates of exchange used by the Parent in, or in connection with, its financial statements for that period.
- (c) No item must be credited or deducted more than once in any calculation under this Clause.

## 19.3 Leverage

The Parent must ensure that Total Net Borrowings do not, at the end of any Measurement Period, equal or exceed 4 times Adjusted EBITDA for that Measurement Period.

## 19.4 Interest cover

The Parent must ensure that the ratio of Consolidated EBITDA to Net Finance Costs is not, for any Measurement Period, equal to or less than 4 to 1.

## 19.5 Debt Service Cover Ratio

The Parent must ensure that the ratio of Cashflow to Debt Service for the Adjusted Group, for any Measurement Period, is not less than 1.1.

## 19.6 Equity cure right

- (a) If, as at the last day of any Measurement Period (the **Relevant Measurement Period**), the Parent is in breach of its obligations under Clause 19.5 (Debt Service Cover Ratio), the Parent may apply the proceeds of a New Shareholder Injection in accordance with this Clause 19.6.
- (b) Any New Shareholder Injections must, within 15 Business Days of the date of delivery to the Facility Agent of the financial statements of the Parent and the Compliance Certificate in respect of the Relevant Measurement Period:
  - (i) be received by the Parent;
  - (ii) only be for the minimum amount necessary to cure the relevant breach; and
  - (iii) be applied in prepayment of the Loans and simultaneous cancellation of an equivalent amount of the Total Commitments.
- (c) The Parent may not apply the proceeds of New Shareholder Injections pursuant to this Clause 19.6:

- (i) more than three times over the life of the Facilities;
  - (ii) more than twice in any 12 month period; or
  - (iii) in respect of two consecutive Measurement Periods.
- (d) If a New Shareholder Injection is provided pursuant to this Clause 19.6, then solely for the purposes of measuring compliance with Clause 19.5 (Debt Service Cover Ratio):
- (i) Total Net Borrowings shall be deemed to be decreased by an amount equal to the amount of that New Shareholder Injection; and
  - (ii) Net Finance Costs and Debt Service shall be recalculated to reflect the amounts which would, in the opinion of the Parent supported by appropriate calculations delivered to the Facility Agent and acceptable to the Majority Lenders (acting reasonably), have been incurred as Net Finance Costs and Debt Service if the New Shareholder Injection had been applied to repay Total Borrowings on the first day of the Relevant Measurement Period.

This recalculation shall apply to the Relevant Measurement Period and any other Measurement Period which includes the last day of the Relevant Measurement Period.

## **20. GENERAL COVENANTS**

### **20.1 General**

Each Obligor agrees to be bound by the covenants set out in this Clause relating to it and, where the covenant is expressed to apply to any other member of the Group, each Obligor must ensure that those members of the Group perform that covenant.

### **20.2 Authorisations**

Each Obligor must promptly:

- (a) obtain, maintain and comply with the terms; and
- (b) supply certified copies to the Facility Agent,

of any authorisation required under any law or regulation to enable it to perform its obligations under, or for the validity or enforceability of, any Finance Document.

### **20.3 Compliance with laws**

Each member of the Group must comply in all respects with all laws to which it is subject where failure to do so has or is reasonably likely to have a Material Adverse Effect.

### **20.4 Pari passu ranking**

Each Obligor must ensure that its payment obligations under the Finance Documents at all times rank at least pari passu with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

## 20.5 Negative pledge

- (a) Except as provided below, no member of the Group may create or allow to exist any Security Interest on any of its assets.
- (b) No member of the Group may:
- (i) sell, transfer or otherwise dispose of any of its assets on terms where it is or may be leased to or re-acquired or acquired by a member of the Group or any of its related entities;
  - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
  - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
  - (iv) enter into any other preferential arrangement having a similar effect,
- in circumstances where the transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset (collectively **Quasi Security**).
- (c) Paragraphs (a) and (b) above do not apply to:
- (i) any Security Interest given by a member of the Indian Group to secure debt falling within paragraph (f) of the definition of Permitted Financial Indebtedness in Clause 1.1 (Definitions);
  - (ii) any Security Interest set out in Schedule 9 (Existing Security) except to the extent the principal amount secured by that Security Interest exceeds the amount stated in that Schedule;
  - (iii) any Security Interest comprising a netting or set-off arrangement entered into by a member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
  - (iv) any lien arising by operation of law and in the ordinary course of business;
  - (v) any Security Interest or Quasi Security on an asset, or an asset of any person, acquired by a member of the Group after the date of this Agreement but only for the period of 6 months from the date of acquisition and to the extent that the principal amount secured by that Security Interest has not been incurred or increased in contemplation of, or since, the acquisition;
  - (vi) any Security Interest under a Finance Document;
  - (vii) any Quasi-Security arising as a result of a disposal which is permitted under Clause 20.6 (Disposals);
  - (viii) any Security Interest created with the consent of the Majority Lenders; and
  - (ix) any Security Interest not allowed under the preceding sub-paragraphs securing indebtedness of the Group the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of a Security Interest not allowed under the preceding sub-paragraphs) does not exceed, at any time, \$40,000,000 (of which not more than \$20,000,000 shall be attributable to any Security Interest securing indebtedness of the Adjusted Group).

## 20.6 Disposals

- (a) Except as provided below, no member of the Group may, either in a single transaction or in a series of transactions and whether related or not, dispose of all or any part of its assets.
- (b) Paragraph (a) does not apply to any disposal:
  - (i) made in the ordinary course of trading of the disposing entity;
  - (ii) of assets (other than shares or interests in a business) in exchange for other assets comparable or superior as to type, value and quality; or
  - (iii) constituted by a licence of Intellectual Property on normal commercial terms and in the ordinary course of the Group's business;
  - (iv) approved by the Majority Lenders;
  - (v) of any shares held, directly or indirectly by Eros Worldwide FZ LLC in EIML, provided that:
    - (A) at no time may the aggregate direct or indirect shareholding of Eros Worldwide FZ LLC in EIML fall below 60 per cent.; and
    - (B) with respect to any disposal of shares that results in the aggregate direct or indirect shareholding of Eros Worldwide FZ LLC in EIML being between 60 to 70 per cent., the aggregate amount of all proceeds from any such disposal in excess of the aggregate amount of the proceeds of any disposal that takes the direct or indirect shareholding of Eros Worldwide FZ LLC in EIML to 70 per cent. (less all Taxes and reasonable costs and expenses incurred in connection with any such disposal) must, within a period not exceeding 12 months from the date of any such disposal, be applied either:
      - I. in the acquisition of any cash generating asset approved in writing by the Majority Lenders (such consent not to be unreasonably withheld or delayed) and purchased by any member of the Group on bona fide arm's length commercial terms; or
      - II. in and towards the prepayment of all outstanding Loans (including any related interest, charges or Break Costs falling due as a consequence of such prepayment) and the immediate cancellation of a corresponding amount of the Total Commitments starting with the Available Commitments, to the extent applicable and possible. In each case, such prepayments and cancellations are to be applied by the Facility Agent between the Lenders according to each Lender's Pro Rata Share in the Total Commitments).

**20.7 Arms' length basis**

No Obligor may be a creditor in respect of any indebtedness or enter into any transaction with any person, other than (in each case) on arms' length terms in the ordinary course of commercial operations.

**20.8 Financial Indebtedness**

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Parent shall ensure that no member of the Group will) incur or allow to remain outstanding any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to Financial Indebtedness which is:
- (i) Permitted Financial Indebtedness;
  - (ii) a Permitted Transaction; or
  - (iii) that portion of the net proceeds ((as defined under Clause 8.2 (Mandatory prepayment – capital markets issue)) of any capital markets issue (as defined under Clause 8.2 (Mandatory prepayment – capital markets issue)) that does not constitute Permitted Financial Indebtedness, provided that the Parent shall promptly comply with its mandatory prepayment obligations as set out under Clause 8.2 (Mandatory prepayment – capital markets issue).

**20.9 Treasury Transactions**

No Obligor may enter into any derivative transactions in connection with protection against or benefit from any fluctuation in any rate or price, other than a Permitted Treasury Transaction.

**20.10 Change of business**

The Parent must ensure that no substantial change is made to the general nature of the business of the Parent or the Group from that carried on at the date of this Agreement.

**20.11 Mergers**

No Obligor may enter into any amalgamation, demerger, merger or reconstruction except on a solvent basis where the resulting entity is at all times bound by the Finance Documents in the same manner and to the same extent as the Obligor was prior to the merger or other event.

**20.12 Intellectual Property**

Each Obligor must maintain and preserve all Intellectual Property which is material to its business including:

- (a) payment of any fee or other amount which is necessary to maintain the Intellectual Property;
- (b) recording its interest in that Intellectual Property;
- (c) taking such steps as are necessary and commercially reasonable (including the institution of legal proceedings) to prevent third parties infringing that Intellectual Property; and
- (d) not entering into licence arrangements in respect of that Intellectual Property other than on normal commercial terms and in the ordinary course of its business.

in each case, to such an extent as companies engaged in the same or a substantially similar business.

### 20.13 Insurance

Each Obligor must insure its business and assets with insurance companies to such an extent and against such risks as companies engaged in the same or a substantially similar business normally insure.

### 20.14 Guarantors

- (a) The Parent shall ensure that at all times:
- (i) the aggregate of the earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA, as defined in Clause 19 (Financial Covenants));
  - (ii) the aggregate of the gross assets; and
  - (iii) the aggregate of the turnover,
- of the Guarantors (in each case calculated on an unconsolidated basis and excluding all intra-group items and investments in Subsidiaries of any member of the Group) represents not less than 90% of the EBITDA (as defined in Clause 19 (Financial Covenants), aggregate gross assets and aggregate turnover, respectively, of the Adjusted Group .
- (b) The Parent shall ensure that each Material Company which is not a Guarantor becomes a Guarantor in accordance with Clause 30.4 (Additional Guarantors) within 10 Business Days of becoming a Material Company.
- (c) The Parent need not perform their obligations under paragraphs (a) and/or (b) above if:
- (i) it is unlawful for the relevant person to become a Guarantor and that person becoming a Guarantor would result in a personal liability for the directors of that person;
  - (ii) where the relevant person is a joint venture entity, the relevant person is prohibited from becoming a Guarantor under the provisions of any agreement governing such joint venture; or
  - (iii) where the relevant person is a joint venture entity, the approval of any other joint venture partner is required for that relevant person to become a Guarantor under the provisions of any agreement governing that joint venture and such approval is refused by the concerned joint venture partner(s).
- (d) Each Obligor must use, and procure that the relevant person uses, all reasonable endeavours (including, if necessary, agreeing to a limit on any amount guaranteed but not including the payment of any material amounts) lawfully available to:
- (i) avoid any such unlawfulness or personal liability; or
  - (ii) procure the removal of or exemption from prohibitions from becoming a Guarantor under the applicable agreement(s) or procure the approval of the relevant joint venture partner(s).

**20.15 Acquisitions**

- (a) Except as provided in paragraph (b) below, no member of the Group may:
- (i) acquire or subscribe for shares or other ownership interest or securities of any company or other person; or
  - (ii) acquire any business.
- (any such acquisition or subscription being referred to in this Clause 20.15 as an **acquisition**).
- (b) Paragraph (a) does not apply to any acquisition where:
- (i) the acquired company or other person (or any such business), and its Subsidiaries taken as a whole, is engaged in a similar business as that of the Group as at the date of this Agreement; and
  - (ii) any of the following are true:
    - (A) :
      - I. the aggregate of the consideration (including costs and associated expenses) for the acquisition and any Financial Indebtedness or other assumed actual and contingent liability remaining in the acquired company, other person or business at the date of such acquisition does not exceed US\$25,000,000; and
      - II. the Parent delivers to the Facility Agent a certificate confirming that on a pro forma basis taking into account the proposed acquisition and on the basis of the most recent financial statements delivered under this Agreement, Consolidated EBITDA is not projected to be adversely affected as a result of the acquisition for the two Measurement Periods immediately following the acquisition;
    - (B) the acquisition is made pursuant to Clause 20.6(b)(v)(B)I (Disposals); or
    - (C) the Majority Lenders have consented to such acquisition (such consent not to be unreasonably withheld or delayed).

**20.16 United States laws**

No Obligor may:

- (i) extend credit for the purpose, directly or indirectly, of buying or carrying Margin Stock; or
- (ii) use any Loan, directly or indirectly, to buy or carry Margin Stock or for any other purpose in violation of the Margin Regulations or
- (iii) use any part of any Loan to acquire any security in a transaction that is subject to the reporting requirements of section 13 or 14 of the United States Securities Exchange Act of 1934.



## 20.17 Compliance with ERISA

No Obligor may:

- (i) allow, or permit any of its ERISA Affiliates to allow, (i) the termination of any Employee Plan with respect to which any Obligor or any ERISA Affiliate may have any liability, (ii) any Obligor or ERISA Affiliates to withdraw from any Employee Plan or Multiemployer Plan, (iii) any ERISA Event to occur with respect to any Employee Plan, or (iv) any Employee Plan to fail to satisfy the minimum funding requirements of Section 302 of ERISA and Sections 412 and 430 of the Code, whether or not waived, to exist involving any of its Employee Plans; to the extent that any of the events described in (i), (ii), (iii) or (iv), singly or in the aggregate, would be reasonably likely to have a Material Adverse Effect;
- (ii) allow, or permit any of its ERISA Affiliates to allow, (i) the aggregate amount of Unfunded Pension Liabilities among all Employee Plans (taking into account only Employee Plans with positive Unfunded Pension Liabilities) at any time to exist where such amount could have a Material Adverse Effect; or (ii) the aggregate potential withdrawal liability under Section 4201 of ERISA, if the Parent and its ERISA Affiliates were to completely or partially withdraw from all Multiemployer Plans, to exist where such amount could have a Material Adverse Effect; or
- (iii) fail, or permit any of its ERISA Affiliates to fail, to comply in any material respect with ERISA or the related provisions of the Code, if any such non-compliance, singly or in the aggregate, would be reasonably likely to have a Material Adverse Effect.

## 20.18 Sanctions

No Obligor shall, and shall ensure that no member of the Group shall, directly or indirectly, use all or any part of the proceeds of the transaction, or lend, make payments, contribute or otherwise make available all or part of such proceeds to any subsidiary, joint venture partner or other person or entity to fund any activities or business with any Restricted Party or in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as Lender, advisor, investor or otherwise) of Sanctions, which Sanctions are in effect at the time such use, lending, payment, contribution, funding or making funds available.

## 20.19 Restrictions on Debt Purchase Transactions

The Parent shall not, and shall procure that no other member of the Group shall, enter into any Debt Purchase Transaction or beneficially own all or any part of the share capital of a company that is a Lender or a party to a Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of the definition of Debt Purchase Transaction in Clause 1.1 (Definitions).

## 21. DEFAULT

### 21.1 Events of Default

- (a) Each of the events or circumstances set out in this Clause (other than Clause 21.16 (Acceleration)) is an Event of Default.

(b) In this Clause:

**Permitted Transaction** means a transaction agreed to by the Majority Lenders.

## 21.2 Non-payment

An Obligor does not pay on the due date any amount payable by it under the Finance Documents in the manner required under the Finance Documents, unless the non-payment:

- (a) is caused by technical or administrative error and is remedied within three Business Days of the due date; or
- (b) is caused by a Disruption Event and is remedied within five Business Days of the due date.

## 21.3 Breach of other obligations

- (a) An Obligor does not comply with any term of Clause 19 (Financial Covenants) (after allowing for the operation of Clause 19.6 (Equity cure)), Clause 20.5 (Negative Pledge), Clause 20.6 (Disposals) or Clause 22.8 (Financial Indebtedness); or
- (b) An Obligor does not comply with any term of the Finance Documents (other than any term referred to in Clause 21.2 (Non-payment) or in paragraph (a) above), unless the non-compliance:
  - (i) is capable of remedy; and
  - (ii) is remedied within 14 days of the earlier of the Facility Agent giving notice of the breach to the Parent or any Obligor becoming aware of the non-compliance.

## 21.4 Misrepresentation

A representation or warranty made or deemed to be repeated by an Obligor in any Finance Document or in any document delivered by or on behalf of any Obligor under any Finance Document is incorrect or misleading in any material respect when made or deemed to be repeated, unless the circumstances giving rise to the misrepresentation or breach of warranty:

- (a) are capable of remedy; and
- (b) are remedied within 21 days of the earlier of the Facility Agent giving notice of the misrepresentation or breach of warranty to the Parent or any Obligor becoming aware of the misrepresentation or breach of warranty.

## 21.5 Cross-default

Any of the following occurs in respect of a member of the Group:

- (a) any of its Financial Indebtedness is not paid when due (after the expiry of any originally applicable grace period);
- (b) any of its Financial Indebtedness:
  - (i) becomes prematurely due and payable;
  - (ii) is placed on demand; or

- (iii) is capable of being declared by or on behalf of a creditor to be prematurely due and payable or of being placed on demand, in each case, as a result of an event of default or any provision having a similar effect (howsoever described); or
- (c) any commitment for its Financial Indebtedness is cancelled or suspended as a result of an event of default or any provision having a similar effect (howsoever described),

unless the aggregate amount of Financial Indebtedness falling within all or any of paragraphs (a) to (c) above is less than US\$5,000,000 or its equivalent.

## 21.6 Insolvency

Any of the following occurs in respect of a member of the Group:

- (a) it is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or insolvent;
- (b) it admits its inability to pay its debts as they fall due;
- (c) it suspends making payments on any of its debts or announces an intention to do so;
- (d) by reason of actual or anticipated financial difficulties, it begins negotiations with any creditor for the rescheduling or restructuring of any of its indebtedness;
- (e) the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities); or
- (f) any of its indebtedness is subject to a moratorium.

## 21.7 Insolvency proceedings

- (a) Except as provided below, any of the following occurs in respect of a member of the Group:
  - (i) any step is taken with a view to a moratorium or a composition, assignment or similar arrangement with any of its creditors;
  - (ii) a meeting of its shareholders, directors or other officers is convened for the purpose of considering any resolution for, to petition for or to file documents with a court or any registrar for, its winding-up, administration or dissolution or any such resolution is passed;
  - (iii) any person presents a petition, or files documents with a court or any registrar, for its winding-up, administration, dissolution or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);
  - (iv) any Security Interest is enforced over any of its assets;
  - (v) an order for its winding-up, administration or dissolution is made;
  - (vi) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer is appointed in respect of it or any of its assets;

- (vii) its shareholders, directors or other officers request the appointment of, or give notice of their intention to appoint, a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer; or
  - (viii) any other analogous step or procedure is taken in any jurisdiction.
- (b) Paragraph (a) above does not apply to:
- (i) any step or procedure which is part of a Permitted Transaction;
  - (ii) solvent liquidation or reorganisation of any member of the Group which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group; or
  - (iii) a petition for winding-up presented by a creditor which is being contested in good faith and with due diligence and is discharged or struck out within 14 days or, in the case of a member of the Group incorporated in India, 90 days.

#### **21.8 Creditors' process**

Any attachment, sequestration, distress, execution or analogous event affects any asset(s) of a member of the Group, having an aggregate value of at least US\$200,000 and is not discharged within 14 days or, in the case of a member of the Group incorporated in India, 90 days.

#### **21.9 Cessation of business**

Any member of the Group ceases, or threatens to cease, to carry on business except:

- (a) as part of a Permitted Transaction; or
- (b) as a result of any disposal allowed under this Agreement.

#### **21.10 Effectiveness of Finance Documents**

- (a) It is or becomes unlawful for any Obligor to perform any of its obligations under the Finance Documents.
- (b) Any provision of any Finance Document is not effective in accordance with its terms or any Finance Document is alleged by an Obligor to be ineffective in accordance with its terms.
- (c) An Obligor repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

#### **21.11 Ownership of the Obligors**

An Obligor ceases to be a wholly-owned and direct Subsidiary of the Parent.

#### **21.12 Material adverse change**

Any event or series of events occurs which, in the opinion of the Majority Lenders, has or is reasonably likely to have a material adverse effect on:

- (a) the ability of the Parent to perform its obligations under any Finance Document;

- (b) the validity or enforceability of any Finance Document; or
- (c) any right or remedy of a Finance Party in respect of a Finance Document.

### 21.13 Relationship Agreement

If:

- (a) any event or circumstance specified under paragraphs (a), (b) or (c) of Clause 10 (Termination) of the Relationship Agreement occurs or exists at any time (provided that such event or circumstance is not remedied within any applicable grace period); or
- (b) any cancellation, amendment or waiver is granted in respect of the Relationship Agreement that would, upon effect and in the opinion of the Facility Agent (acting reasonably, on the instructions of the Majority Lenders and determined within 14 days of receipt by the Facility Agent of the executed documentation, and supporting information, required to be delivered in accordance with Clause 18.4(d) (Information – miscellaneous)), be likely to have, or result in, a Material Adverse Effect, unless the cancellation, amendment or waiver is:
  - (i) capable of remedy; and
  - (ii) remedied within 14 days of the Facility Agent giving written notice to the Parent of its determination that the relevant cancellation, amendment or waiver, if allowed to remain in effect, would be likely to have, or result in, a Material Adverse Effect.

### 21.14 United States Bankruptcy Laws

Any of the following occurs in respect of a US Debtor:

- (i) it makes a general assignment for the benefit of creditors;
- (ii) it commences a voluntary case or proceeding under any US Bankruptcy Law;
- (iii) an involuntary case under any US Bankruptcy Law is commenced against it and is not controverted within 20 days or is not dismissed or stayed within 60 days after commencement of the case; or
- (iv) an order for relief or other order approving any case or proceeding is entered under any US Bankruptcy Law.

### 21.15 Acceleration

- (a) If an Event of Default described in Subclause 21.14 (United States Bankruptcy Laws) occurs, the Total Commitments will, if not already cancelled under this Agreement, be immediately and automatically cancelled and all amounts outstanding under the Finance Documents will be immediately and automatically due and payable, without the requirement of notice or any other formality.
- (b) If any Event of Default is outstanding, the Facility Agent may, and must if so directed by the Majority Lenders, by notice to the Parent:
  - (i) if not already cancelled under paragraph (a) above, cancel the Total Commitments; and/or

- (ii) declare that all or part of any amounts outstanding under the Finance Documents are:
  - (A) immediately due and payable; and/or
  - (B) payable on demand by the Facility Agent acting on the instructions of the Majority Lenders.

Any notice given under this Subclause will take effect in accordance with its terms.

## **22. THE ADMINISTRATIVE PARTIES**

### **22.1 Appointment and duties of the Facility Agent**

- (a) Each Finance Party (other than the Facility Agent) irrevocably appoints the Facility Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each Finance Party irrevocably authorises the Facility Agent to:
  - (i) perform the duties and to exercise the rights, powers and discretions that are specifically given to it under the Finance Documents, together with any other incidental rights, powers and discretions; and
  - (ii) enter into and deliver each Finance Document expressed to be entered into by the Facility Agent.
- (c) The Facility Agent has only those duties which are expressly specified in the Finance Documents. Those duties are solely of a mechanical and administrative nature.
- (d) Upon request at any time while the Facility Agent is an Impaired Agent, the Parent shall provide a copy of the list of all the Lenders to each Finance Party.

### **22.2 Role of the Arrangers**

Except as specifically provided in the Finance Documents, the Arrangers have no obligations of any kind to any other Party in connection with any Finance Document.

### **22.3 No fiduciary duties**

- (a) Nothing in the Finance Documents makes an Administrative Party a trustee or fiduciary for any other Party or any other person; and
- (b) no Administrative Party need hold in trust any moneys paid to it or recovered by it for a Party in connection with the Finance Documents or be liable to account for interest on those moneys.

### **22.4 Individual position of an Administrative Party**

- (a) If it is also a Lender, each Administrative Party has the same rights and powers under the Finance Documents as any other Lender and may exercise those rights and powers as though it were not an Administrative Party.
- (b) Each Administrative Party may:

- (i) carry on any business with an Obligor or its related entities (including acting as an agent or a trustee for any other financing); and
- (ii) retain any profits or remuneration it receives under the Finance Documents or in relation to any other business it carries on with an Obligor or its related entities.

## 22.5 Reliance

The Facility Agent may:

- (a) rely on any notice or document believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;
- (b) rely on any statement made by any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify;
- (c) assume, unless the context otherwise requires, that any communication made by an Obligor is made on the behalf of and with the consent of each Obligor;
- (d) disclose the identity of a Defaulting Lender to the other Finance Parties and the Parent and shall disclose the same upon the written request of the Parent or the Majority Lenders;
- (e) engage, pay for and rely on professional advisers selected by it (including those representing a Party other than the Facility Agent); and
- (f) act under the Finance Documents through its personnel and agents.

## 22.6 Majority Lenders' instructions

- (a) The Facility Agent is fully protected if it acts on the instructions of the Majority Lenders in the exercise of any right, power or discretion or any matter not expressly provided for in the Finance Documents. Any such instructions given by the Majority Lenders will be binding on all the Lenders. In the absence of instructions, the Facility Agent may act as it considers to be in the best interests of all the Lenders.
- (b) The Facility Agent may assume that unless it has received notice to the contrary, any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised.
- (c) The Facility Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received security satisfactory to it, whether by way of payment in advance or otherwise, against any liability or loss which it may incur in complying with the instructions.
- (d) The Facility Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings in connection with any Finance Document.

## 22.7 Responsibility

- (a) No Administrative Party is responsible for the adequacy, accuracy or completeness of any statement or information (whether written or oral) made in or supplied in connection with any Finance Document.

- (b) No Administrative Party is responsible for the legality, validity, effectiveness, adequacy, completeness or enforceability of any Finance Document or any other document.
- (c) Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms that it:
  - (i) has made, and will continue to make, its own independent appraisal of all risks arising under or in connection with the Finance Documents (including the financial condition and affairs of each Obligor and its related entities and the nature and extent of any recourse against any Party or its assets); and
  - (ii) has not relied exclusively on any information provided to it by any Administrative Party in connection with any Finance Document or agreement entered into in anticipation of or in connection with any Finance Document.

## **22.8 Exclusion of liability**

- (a) No Administrative Party is liable or responsible to any other Finance Party for any action taken or not taken by it in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.
- (b) No Party (other than the relevant Administrative Party) may take any proceedings against any officers, employees or agents of an Administrative Party in respect of any claim it might have against that Administrative Party or in respect of any act or omission of any kind by that officer, employee or agent in connection with any Finance Document. Any officer, employee or agent of an Administrative Party may rely on this Subclause and enforce its terms under the Contracts (Rights of Third Parties) Act 1999.
- (c) The Facility Agent is not liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Facility Agent if the Facility Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Facility Agent for that purpose.
- (d)
  - (i) Nothing in this Agreement will oblige any Administrative Party to satisfy any “know your customer” requirement in relation to the identity of any person on behalf of any Finance Party.
  - (ii) Each Finance Party confirms to each Administrative Party that it is solely responsible for any “know your customer” requirements it is required to carry out and that it may not rely on any statement in relation to those requirements made by any other person.

## **22.9 Default**

- (a) The Facility Agent is not obliged to monitor or enquire whether a Default has occurred. The Facility Agent is not deemed to have knowledge of the occurrence of a Default.
- (b) If the Facility Agent:
  - (i) receives notice from a Party referring to this Agreement, describing a Default and stating that the event is a Default; or



- (ii) is aware of the non-payment of any principal, interest or fee payable to a Finance Party (other than the Facility Agent or /the Arrangers) under this Agreement,

it must promptly notify the other Finance Parties.

#### 22.10 Information

- (a) The Facility Agent must promptly forward to the person concerned the original or a copy of any document which is delivered to the Facility Agent by a Party for that person.
- (b) Except where a Finance Document specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (c) Except as provided above, the Facility Agent has no duty:
  - (i) either initially or on a continuing basis to provide any Lender with any credit or other information concerning the risks arising under or in connection with the Finance Documents (including any information relating to the financial condition or affairs of any Obligor or its related entities or the nature or extent of recourse against any Party or its assets) whether coming into its possession before, on or after the date of this Agreement; or
  - (ii) unless specifically requested to do so by a Lender in accordance with a Finance Document, to request any certificate or other document from any Obligor.
- (d) In acting as the Facility Agent, the Facility Agent will be regarded as acting through its agency division which will be treated as a separate entity from its other divisions and departments. Any information acquired by the Facility Agent which, in its opinion, is acquired by another division or department or otherwise than in its capacity as the Facility Agent may be treated as confidential by the Facility Agent and will not be treated as information possessed by the Facility Agent in its capacity as such.
- (e) The Facility Agent is not obliged to disclose to any person any confidential information supplied to it by or on behalf of a member of the Group solely for the purpose of evaluating whether any waiver or amendment is required in respect of any term of the Finance Documents.
- (f) Each Obligor irrevocably authorises the Facility Agent to disclose to the other Finance Parties any information which, in its opinion, is received by it in its capacity as the Facility Agent.
- (g) The Facility Agent, acting on behalf of each Party, shall, at one of its offices, keep a copy of each duly completed executed Transfer Certificate and/or written confirmation delivered to it in accordance with Clause 29.5 (Procedure for transfer using a Transfer Certificate) or Clause 29.4 (Procedure for assignments of rights), respectively, and maintain a register (the **Register**) of the names and addresses of each Lender and the Commitments of and obligations owing to each Lender. Absent manifest error, the entries in the Register shall be conclusive.

#### 22.11 Indemnities

- (a) Without limiting the liability of any Obligor under the Finance Documents, each Lender must indemnify the Facility Agent for that Lender's Pro Rata Share of any loss or liability incurred by the Facility Agent in acting as the Facility Agent (unless the Facility Agent has been reimbursed by an Obligor under a Finance Document), except to the extent that the loss or liability is caused by the Facility Agent's gross negligence or wilful misconduct.

- (b) If a Party owes an amount to the Facility Agent under the Finance Documents, the Facility Agent may, after giving notice to that Party:
- (i) deduct from any amount received by it for that Party any amount due to the Facility Agent from that Party under a Finance Document but unpaid; and
  - (ii) apply that amount in or towards satisfaction of the owed amount.

That Party will be regarded as having received the amount so deducted.

## 22.12 Compliance

Each Administrative Party may refrain from doing anything (including disclosing any information) which might, in its opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its opinion, is necessary or desirable to comply with any law or regulation.

## 22.13 Resignation of the Facility Agent

- (a) The Facility Agent may resign and appoint any of its Affiliates as successor Facility Agent by giving notice to the other Finance Parties and the Parent.
- (b) Alternatively, the Facility Agent may resign by giving notice to the Finance Parties and the Borrower, in which case the Majority Lenders may appoint a successor Facility Agent.
- (c) If no successor Facility Agent has been appointed under paragraph (b) above within 30 days after notice of resignation was given, the Facility Agent may appoint a successor Facility Agent.
- (d) The person(s) appointing a successor Facility Agent must, if practicable, consult with the Parent prior to the appointment. Any successor Facility Agent must have an office in the UK.
- (e) The resignation of the Facility Agent and the appointment of any successor Facility Agent will both become effective only when the successor Facility Agent notifies all the Parties that it accepts its appointment.
- (f) On giving the notification the successor Facility Agent will succeed to the position of the Facility Agent and the term **Facility Agent** will mean the successor Facility Agent.
- (g) The retiring Facility Agent must, at its own cost:
  - (i) make available to the successor Facility Agent those documents and records and provide any assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as the Facility Agent under the Finance Documents; and
  - (ii) enter into and deliver to the successor Facility Agent those documents and effect any registrations as may be required for the transfer or assignment of all of its rights and benefits under the Finance Documents to the successor Facility Agent.

- (h) Upon its resignation becoming effective, this Clause will continue to benefit the retiring Facility Agent in respect of any action taken or not taken by it in connection with the Finance Documents while it was the Facility Agent, and, subject to paragraph (g) above, it will have no further obligations under any Finance Document.
- (i) The Majority Lenders may, by notice to the Facility Agent, require it to resign under paragraph (b) above.

#### **22.14 Replacement of the Facility Agent**

- (a) After consultation with the Parent, the Majority Lenders may, by giving 30 days' notice to the Facility Agent (or, at any time the Facility Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Facility Agent by appointing a successor Facility Agent (acting through an office in the United Kingdom).
- (b) The retiring Facility Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents.
- (c) The appointment of the successor Facility Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Facility Agent. As from this date, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 22 (and any agency fees for the account of the retiring Facility Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Facility Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

#### **22.15 Impaired Agent**

- (a) If, at any time, the Facility Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Facility Agent in accordance with this Agreement may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank, as agreed with the recipient, and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents. In each case such payments must be made on the due date for payment under the Finance Documents.
- (b) All interest accrued on the amount standing to the credit of any trust account created under paragraph (a) above shall be for the benefit of the beneficiaries of that trust account pro rata to their respective entitlements.
- (c) A Party which has made a payment in accordance with this paragraph (a) above shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) The Majority Lenders may promptly appoint a successor Facility Agent and each Party which has made a payment to a trust account in accordance with paragraph (a) above shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Facility Agent for distribution in accordance with the terms of this Agreement.

**22.16 Communication when Facility Agent is Impaired Agent**

If the Facility Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Facility Agent, communicate with each other directly and (while the Facility Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Facility Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Facility Agent has been appointed.

**22.17 Relationship with Lenders**

- (a) The Facility Agent may treat each Lender as a Lender, entitled to payments under this Agreement and as acting through its Facility Office(s) until it has received not less than five Business Days' prior notice from that Lender to the contrary.
- (b) The Facility Agent may at any time, and must if requested to do so by the Majority Lenders, convene a meeting of the Lenders.
- (c) The Facility Agent must keep a record of all the Parties and supply any other Party with a copy of the record on request. The record will include each Lender's Facility Office(s) and contact details for the purposes of this Agreement.

**22.18 Facility Agent's management time**

If the Facility Agent requires, any amount payable to the Facility Agent by any Party under any indemnity or in respect of any costs or expenses incurred by the Facility Agent under the Finance Documents after the date of this Agreement may include the cost of using its management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Facility Agent may notify to the relevant Party. This is in addition to any amount in respect of fees or expenses paid or payable to the Facility Agent under any other term of the Finance Documents.

**22.19 Notice period**

Where this Agreement specifies a minimum period of notice to be given to the Facility Agent, the Facility Agent may, at its discretion, accept a shorter notice period.

**23. EVIDENCE AND CALCULATIONS****23.1 Accounts**

Accounts maintained by a Finance Party in connection with this Agreement are prima facie evidence of the matters to which they relate for the purpose of any litigation or arbitration proceedings.

**23.2 Certificates and determinations**

Any certification or determination by a Finance Party of a rate or amount under the Finance Documents will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

### 23.3 Calculations

Any interest or fee accruing under this Agreement accrues from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days (for a Loan in Sterling) or 360 days (for Loan in any other currency) or otherwise, depending on what the Facility Agent determines is market practice for the relevant currency.

## 24. FEES

### 24.1 Commitment Fees

- (a) During the Availability Period, the Parent must pay to the Facility Agent for each Lender a commitment fee computed at the rate of 50 per cent. of the Margin on the undrawn, uncanceled amount of each Lender's Commitment. The commitment fee shall accrue from the date of this Agreement and be calculated on the Margin determined in accordance with Clause 9 (Margin adjustments). To the extent necessary, the initial Margin shall be applied with retrospective effect from the date it is confirmed pursuant to part (i) of Clause 9.3(a) (Margin adjustments) as if it had been confirmed on the date of this Agreement.
- (b) Accrued commitment fee is payable quarterly in arrear. Accrued commitment fee is also payable to the Facility Agent for a Lender on the last day of the Availability Period and the date its Commitment is cancelled in full.
- (c) No commitment fee is payable to the Facility Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

### 24.2 Agency Fee

The Parent shall pay to the Facility Agent (for its own account) an agency fee in the amount and at the times set out in a Fee Letter.

### 24.3 Arrangement Fee

The Parent shall pay to the Facility Agent (for the account of the Arrangers) an arrangement fee in the amount and at the times set out in a Fee Letter.

## 25. INDEMNITIES AND BREAK COSTS

### 25.1 Currency indemnity

- (a) Each Borrower must, as an independent obligation, indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:
  - (i) that Finance Party receiving an amount in respect of an Obligor's liability under the Finance Documents; or
  - (ii) that liability being converted into a claim, proof, judgment or order,in a currency other than the currency in which the amount is expressed to be payable under the relevant Finance Document.
- (b) Unless otherwise required by law, each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

**25.2 Other indemnities**

- (a) Each Borrower must indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:
- (i) the occurrence of any Event of Default;
  - (ii) any failure by an Obligor to pay any amount due under a Finance Document on its due date, including any resulting from any distribution or redistribution of any amount among the Lenders under this Agreement;
  - (iii) (other than by reason of negligence or default by that Finance Party) a Loan not being made after a Request has been delivered for that Loan; or
  - (iv) a Loan (or part of a Loan) not being prepaid in accordance with this Agreement when required under this Agreement.

Each Borrower's liability in each case includes any loss or expense on account of funds borrowed, contracted for or utilised to fund any amount payable under any Finance Document or any Loan.

- (b) Each Borrower must indemnify the Facility Agent against any loss or liability incurred by the Facility Agent as a result of:
- (i) investigating any event which the Facility Agent reasonably believes to be a Default; or
  - (ii) acting or relying on any notice which the Facility Agent reasonably believes to be genuine, correct and appropriately authorised.

**25.3 Break Costs**

- (a) Each Borrower must pay to each Lender its Break Costs if a Loan or an overdue amount is repaid or prepaid otherwise than on the last day of any Term applicable to it.
- (b) Break Costs are the amount (if any) determined by the relevant Lender by which:
- (i) the interest which that Lender would have received for the period from the date of receipt of any part of its share in a Loan or an overdue amount to the last day of the applicable Term for that Loan or overdue amount if the principal or overdue amount received had been paid on the last day of that Term;  
exceeds
  - (ii) the amount which that Lender would be able to obtain by placing an amount equal to the amount received by it on deposit with a leading bank in the appropriate interbank market for a period starting on the Business Day following receipt and ending on the last day of the applicable Term.
- (c) Each Lender must supply to the Facility Agent for the Parent details of the amount of any Break Costs claimed by it under this Subclause.

## 26. EXPENSES

### 26.1 Initial costs

The Parent must pay to each Administrative Party the amount of all costs and expenses (including legal fees (subject to any applicable caps)) reasonably incurred by it in connection with the negotiation, preparation, printing, entry into and syndication of the Finance Documents.

### 26.2 Subsequent costs

The Parent must promptly on demand pay to the Facility Agent the amount of all costs and expenses (including legal fees) reasonably incurred by any Administrative Party in connection with:

- (a) the negotiation, preparation, printing and entry into of any Finance Document (other than a Transfer Certificate) entered into after the date of this Agreement; and
- (b) any amendment, waiver or consent requested by or on behalf of an Obligor or specifically allowed by a Finance Document.

### 26.3 Enforcement costs

The Parent must pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

## 27. AMENDMENTS AND WAIVERS

### 27.1 Procedure

- (a) Except as provided in this Clause, any term of the Finance Documents may be amended or waived with the agreement of the Parent and the Majority Lenders. The Facility Agent may effect, on behalf of any Finance Party, an amendment or waiver allowed under this Clause.
- (b) The Facility Agent must promptly notify the other Parties of any amendment or waiver effected by it under paragraph (a) above. Any such amendment or waiver is binding on all the Parties.
- (c) Each Obligor agrees to any amendment or waiver allowed by this Clause which is agreed to by the Parent. This includes any amendment or waiver which would, but for this paragraph, require the consent of each Guarantor if the guarantee under the Finance Documents is to remain in full force and effect.

### 27.2 Exceptions

- (a) An amendment or waiver which relates to:
  - (i) the definition of **Majority Lenders** in Clause 1.1 (Definitions);
  - (ii) the nature or scope of the guarantee and indemnity granted under Clause 16 (Guarantee and Indemnity);
  - (iii) an extension of the date of payment of any amount to a Lender under the Finance Documents;

- (iv) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fee or other amount payable to a Lender under the Finance Documents;
- (v) an increase in, or an extension of, a Commitment or the Total Commitments;
- (vi) a release of an Obligor other than in accordance with the terms of this Agreement;
- (vii) a term of a Finance Document which expressly requires the consent of each Lender;
- (viii) the right of a Lender to assign or transfer its rights or obligations under the Finance Documents; or
- (ix) this Clause,

may only be made with the consent of all the Lenders.

- (b) An amendment or waiver which relates to the rights or obligations of an Administrative Party may only be made with the consent of that Administrative Party.

### **27.3 Change of currency**

If a change in any currency of a country occurs (including where there is more than one currency or currency unit recognised at the same time as the lawful currency of a country), the Finance Documents will be amended to the extent the Facility Agent (acting reasonably and after consultation with the Parent) determines is necessary to reflect the change.

### **27.4 Waivers and remedies cumulative**

The rights of each Finance Party under the Finance Documents:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under the general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any right is not a waiver of that right.

## **28. CHANGES TO THE OBLIGORS**

### **28.1 Assignments and transfers by an Obligor**

No Obligor may assign or transfer any of its rights and obligations under the Finance Documents without the prior consent of all the Lenders.

### **28.2 Additional Borrowers**

- (a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 18.7 (“Know your customer” requirements), the Parent may request that any of its wholly owned Subsidiaries becomes an Additional Borrower. That Subsidiary shall become an Additional Borrower if:
  - (i) it is incorporated in the same jurisdiction as an existing Borrower and the Majority Lenders approve the addition of that Subsidiary, or otherwise if all the Lenders approve the addition of that Subsidiary;



- (ii) the Parent and that Subsidiary deliver to the Agent a duly completed and executed Accession Agreement;
  - (iii) the Subsidiary is (or becomes) a Guarantor prior to becoming an Additional Borrower;
  - (iv) the Parent confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and
  - (v) the Facility Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (Conditions Precedent Documents) in relation to that Additional Borrower, each in form and substance satisfactory to the Facility Agent.
- (b) The Facility Agent shall notify the Parent and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (Conditions Precedent Documents).

### **28.3 Resignation of a Borrower**

- (a) The Parent may request that a Borrower (other than the Parent) ceases to be a Borrower by delivering to the Facility Agent a duly completed Resignation Request.
- (b) The Facility Agent shall accept a Resignation Request from a Borrower and notify the Parent and the other Finance Parties of its acceptance if:
- (i) the Parent has confirmed that no Default is continuing or would result from the acceptance of the Resignation Request;
  - (ii) the relevant Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents; and
  - (iii) where the relevant Borrower is also a Guarantor (unless its resignation has been accepted in accordance with Clause 28.5 (Resignation of a Guarantor)), its obligations in its capacity as a Guarantor continue to be legal, valid, binding and enforceable and in full force and effect and the amount guaranteed by it as a Guarantor is not decreased (and the Parent has confirmed this is the case),

whereupon that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents.

### **28.4 Additional Guarantors**

- (a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 18.7 ("Know your customer" requirements) and paragraph (b) below, the Parent may request that any of its wholly owned Subsidiaries becomes an Additional Guarantor. That Subsidiary shall become an Additional Guarantor if:
- (i) the Majority Lenders approve to the addition of that Subsidiary;
  - (ii) the Parent and the proposed Additional Guarantor deliver to the Facility Agent a duly completed and executed Accession Agreement; and

- (iii) the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (Conditions Precedent Documents) in relation to that Additional Guarantor, each in form and substance satisfactory to the Facility Agent.
- (b) The Parent shall procure that any member of the Group which is a Material Company shall, as soon as possible but in any event not later than 10 Business Days after becoming a Material Company, become an Additional Guarantor.
- (c) The Facility Agent shall notify the Parent and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (Conditions Precedent Documents).

#### **28.5 Resignation of a Guarantor**

- (a) The Parent may request that a Guarantor (other than the Parent) ceases to be a Guarantor by delivering to the Facility Agent a duly completed Resignation Request.
- (b) The Facility Agent shall accept a Resignation Request and notify the Parent and the Lenders of its acceptance if:
  - (i) the Parent has confirmed that no Default is continuing or would result from the acceptance of the Resignation Request;
  - (ii) all the Lenders have consented to the Parent's request;
  - (iii) no payment is due from the Guarantor under Clause 16.1 (Guarantee and indemnity); and
  - (iv) where the Guarantor is also a Borrower, it is under no actual or contingent obligations as a Borrower and has resigned and ceased to be a Borrower under Clause 28.3 (Resignation of a Borrower).

#### **28.6 Repetition of Representations**

Delivery of an Accession Agreement constitutes confirmation by the relevant Subsidiary that the representations and warranties referred to in paragraph (b) of Clause 17.17 (Time for making representations and warranties) are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

### **29. CHANGES TO THE LENDERS**

#### **29.1 Assignments and transfers by Lenders**

Subject to the following provisions of this Clause, a Lender (the **Existing Lender**) may at any time:

- (i) assign any of its rights; or
- (ii) transfer by way of novation any of its rights or obligations under this Agreement,

to any other bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the **New Lender**).

#### **29.2 Conditions to assignment or transfers - consents**

- (a) The consent of the Parent is required for any assignment or transfer unless the New Lender is another Lender or an Affiliate of a Lender or an Event of Default is outstanding. The consent of the Parent (if required) must not be unreasonably withheld or delayed. The Parent will be deemed to have given its consent five Business Days after the Parent is given notice of the request by the Facility Agent unless it is expressly refused by the Parent within that time.
- (b) The Parent may not withhold its consent solely because the assignment or transfer might increase the Mandatory Cost.

### 29.3 Other conditions to assignment or transfer

- (a) Unless the Parent and the Facility Agent otherwise agree, a transfer of part of a Commitment or part of its rights and obligations under this Agreement by the Existing Lender must be in a minimum amount of, and be in an amount such that the Existing Lender retains a Commitment in a minimum amount of, US\$5,000,000.
- (b) The Facility Agent is not obliged to enter into a Transfer Certificate or otherwise give effect to an assignment or transfer until it has completed all "know your customer" requirements to its satisfaction. The Facility Agent must promptly notify the Existing Lender and the New Lender if there are any such requirements.
- (c) If the consent of the Parent is required for any assignment or transfer (irrespective of whether it may be unreasonably withheld or not), the Facility Agent is not obliged to enter into a Transfer Certificate if the Parent withholds its consent.
- (d) Unless the Facility Agent otherwise agrees, the New Lender must pay to the Facility Agent for its own account, on or before the date any assignment or transfer occurs, a fee of £2,000.
- (e) Any reference in this Agreement to a Lender includes a New Lender but excludes a Lender if no amount is or may be owed to or by it under this Agreement.

### 29.4 Procedure for assignment of rights

An assignment of rights will only be effective on receipt by the Facility Agent of written confirmation from the New Lender (in form and substance satisfactory to the Facility Agent) that the New Lender will, in relation to the assigned rights, assume obligations to the other Finance Parties equivalent to those it would have been under if it had been an Original Lender.

### 29.5 Procedure for transfer using a Transfer Certificate

- (a) In this Subclause:

**Transfer Date** means, in relation to a transfer, the later of:

- (i) the proposed Transfer Date specified in that Transfer Certificate; and
  - (ii) the date on which the Facility Agent executes that Transfer Certificate.
- (b) A transfer of rights or obligations using a Transfer Certificate will be effective if:
- (i) the Existing Lender and the New Lender deliver to the Facility Agent a duly completed Transfer Certificate; and
  - (ii) the Facility Agent enters into it.

- (c) On the Transfer Date:
  - (i) the New Lender will assume the rights and obligations of the Existing Lender expressed to be the subject of the novation in the Transfer Certificate in substitution for the Existing Lender;
  - (ii) the Existing Lender will be released from those obligations and cease to have those rights; and
  - (iii) the New Lender will become a Lender under this Agreement and be bound by the terms of this Agreement
- (d) The Facility Agent must enter into a Transfer Certificate delivered to it and which appears on its face to be in order and make a corresponding entry in the Register pursuant to Clause 22.10(g) (Information) as soon as reasonably practicable and, as soon as reasonably practicable after it has entered into a Transfer Certificate, send a copy of that Transfer Certificate to the Parent.
- (e) Each Party (other than the Existing Lender and the New Lender) irrevocably authorises the Facility Agent to enter into and deliver any duly completed Transfer Certificate on its behalf.

#### **29.6 Limitation of responsibility of Existing Lender**

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
  - (i) the financial condition of an Obligor; or
  - (ii) the legality, validity, effectiveness, enforceability, adequacy, accuracy, completeness or performance of:
    - (A) any Finance Document or any other document;
    - (B) any statement or information (whether written or oral) made in or supplied in connection with any Finance Document; or
    - (C) any observance by any Obligor of its obligations under any Finance Document or any other document,and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
  - (i) has made, and will continue to make, its own independent appraisal of all risks arising under or in connection with the Finance Documents (including the financial condition and affairs of each Obligor and its related entities and the nature and extent of any recourse against any Party or its assets) in connection with its participation in this Agreement; and
  - (ii) has not relied exclusively on any information supplied to it by the Existing Lender in connection with any Finance Document.
- (c) Nothing in any Finance Document requires an Existing Lender to:

- (i) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this Clause; or
- (ii) support any losses incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under any Finance Document or otherwise.

#### **29.7 Costs resulting from change of Lender or Facility Office**

If:

- (a) a Lender assigns or transfers any of its rights and obligations under the Finance Documents or changes its Facility Office; and
- (b) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to pay a Tax Payment or an Increased Cost,

then the Obligor need only pay that Tax Payment or Increased Cost to the same extent that it would have been obliged to if no assignment, transfer or change had occurred.

#### **29.8 Changes to the Reference Banks**

- (a) If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Facility Agent must (in consultation with the Parent) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.
- (b) If at any time there are fewer than three Reference Banks, the Facility Agent may (in consultation with the Parent) appoint a Lender or an Affiliate of a Lender as an additional Reference Bank.

#### **29.9 Security over Lender's rights**

In addition to the other rights provided to Lenders under this Clause 29, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign by way of security or otherwise create a Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security Interest to secure obligations to a federal reserve, a central bank or a governmental authority, department or agency (including, but not limited to, HMRC); and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security Interest shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security Interest for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

### 29.10 Affiliates of Lenders

- (a) Each Lender may fulfil its obligations in respect of any Loan through an Affiliate if:
  - (i) the relevant Affiliate is specified in this Agreement as a Lender or becomes a Lender by means of a Transfer Certificate in accordance with this Agreement; and
  - (ii) the Loans in which that Affiliate will participate are specified in this Agreement or in a notice given by that Lender to the Facility Agent and the Parent.

In this event, the Lender and the Affiliate will participate in Loans in the manner provided for in sub-paragraph (ii) above.

- (b) If paragraph (a) above applies, the Lender and its Affiliate will be treated as having a single Commitment and a single vote, but, for all other purposes, will be treated as separate Lenders.

### 29.11 Disenfranchisement of Defaulting Lenders

- (a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender's Commitments will be reduced by the amount of its Available Commitments.
- (b) For the purposes of this Clause 29.11, the Facility Agent may assume that the following Lenders are Defaulting Lenders:
  - (i) any Lender which has notified the Facility Agent that it has become a Defaulting Lender;
  - (ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of "**Defaulting Lender**" has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Facility Agent) or the Facility Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

### 29.12 Replacement of a Defaulting Lender

- (a) The Parent may, at any time a Lender has become and continues to be a Defaulting Lender, by giving 10 Business Days' prior written notice to the Facility Agent and such Lender:
  - (i) replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 29 (Changes to the Lenders) all (and not part only) of its rights and obligations under this Agreement; or
  - (ii) require such Lender to (and such Lender shall) transfer pursuant to Clause 29 (Changes to the Lenders) all (and not part only) of the undrawn Commitment of the Lender;

to a Lender or other bank, financial institution, trust, fund or other entity (a “**Replacement Lender**”) selected by the Parent, and which (unless the Facility Agent is an Impaired Agent) is acceptable to the Facility Agent (acting reasonably) and which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender’s participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender’s participation in the outstanding Loans and all accrued interest and/or Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause shall be subject to the following conditions:
- (i) the Parent shall have no right to replace the Facility Agent in its capacity as such (save where Clause 22.15 (Impaired Agent) applies);
  - (ii) neither the Facility Agent nor the Defaulting Lender shall have any obligation to the Parent to find a Replacement Lender;
  - (iii) the transfer must take place no later than 20 days after the notice referred to in paragraph (a) above; and
  - (iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.

### 30. DISCLOSURE OF INFORMATION

- (a) Each Finance Party must keep confidential any information supplied to it by or on behalf of any Obligor in connection with the Finance Documents. However, a Finance Party is entitled to disclose information:
- (i) which is publicly available, other than as a result of a breach by that Finance Party of this Clause;
  - (ii) in connection with any legal or arbitration proceedings;
  - (iii) if required to do so under any law or regulation;
  - (iv) to a governmental, banking, taxation or other regulatory authority;
  - (v) to its head office and other branch offices as necessary;
  - (vi) to any of its officers, directors, employees, professional advisers, auditors, partners or Representatives;
  - (vii) to any Affiliate or Related Fund and that Affiliate’s or Related Fund’s officers, directors, employees, professional advisers, auditors, partners or Representatives;
  - (viii) to any rating agency (or their professional advisers);
  - (ix) to the extent allowed under paragraph (b) below;
  - (x) to another Obligor or any other member of the Group; or
  - (xi) with the agreement of the relevant Obligor.

- (b) A Finance Party may disclose to:
- (i) any person with (or through) whom that Finance Party enters into (or may enter into) any kind of transfer, participation or hedge agreement in relation to this Agreement or any other transaction under which payments are to be made by reference to this Agreement or any Obligor;
  - (ii) any person who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (i) above;
  - (iii) any person to whom or for whose benefit that Finance Party charges, assigns or otherwise creates a Security Interest (or may do so) pursuant to Clause 29.9 (Security over Lender's rights);
  - (iv) any person who invests (or may invest) in a securitisation (or similar transaction of broadly equivalent economic effect) of that Finance Party's rights or obligations under the Finance Documents;
  - (v) any person with the consent of the Parent; or
  - (vi) any person appointed by that Finance Party or appointed by any person entering into any transaction referred to in paragraph (i) above, to receive communications, notice and information or provide administrative and/or settlement services in respect of one or more of the Finance Documents,

a copy of any Finance Document and any information which that Finance Party, or appointing person (in the case of paragraph (vi) above), has acquired under or in connection with any Finance Document.

However, before a person may receive any confidential information, it must agree with the relevant Finance Party to keep that information confidential on the terms of paragraph (a) above.

- (c) This Clause supersedes any previous confidentiality undertaking given by a Finance Party in connection with this Agreement prior to it becoming a Party.
- (d) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:
- (i) names of Obligors;
  - (ii) country of domicile of Obligors;
  - (iii) place of incorporation of Obligors;
  - (iv) date of this Agreement;
  - (v) the names of the Agent and the Arrangers;
  - (vi) date of each amendment and restatement of this Agreement;
  - (vii) amount of Total Commitments;



- (viii) currencies of the Facilities;
- (ix) type of Facilities;
- (x) ranking of Facilities;
- (xi) Final Maturity Date for Facilities;
- (xii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above; and
- (xiii) such other information agreed between such Finance Party and the Parent,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (e) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or one or more Obligor by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (f) Each Obligor represents that none of the information set out in paragraphs (i) to (xiii) of paragraph (d) above is, nor will at any time be, unpublished price-sensitive information.
- (g) The Facility Agent shall notify the Parent and the other Finance Parties of:
  - (i) the name of any numbering service provider appointed by the Facility Agent in respect of this Agreement, the Facilities and/or one or more Obligor; and
  - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities and/or one or more Obligor by such numbering service provider.

### 31. SET-OFF

A Finance Party may set off any matured obligation owed to it by an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any obligation (whether or not matured) owed by that Finance Party to an Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. For the purposes of this Clause the term "Finance Party" includes each of the Affiliates of the relevant Finance Party.

### 32. PRO RATA SHARING

#### 32.1 Redistribution

If a Finance Party (the **recovering Finance Party**) receives or recovers any amount from an Obligor other than in accordance with this Agreement (a **recovery**) and applies that amount to a payment due under a Finance Document, then:

- (a) the recovering Finance Party must, within three Business Days, supply details of the recovery to the Facility Agent;
- (b) the Facility Agent must calculate whether the recovery is in excess of the amount which the recovering Finance Party would have received if the recovery had been received and distributed by the Facility Agent in accordance with this Agreement without taking account of any Tax which would be imposed on the Facility Agent in relation to a recovery or distribution; and

- (c) the recovering Finance Party must pay to the Facility Agent an amount equal to the excess (the **redistribution**).

### 32.2 Effect of redistribution

- (a) The Facility Agent must treat a redistribution as if it were a payment by the relevant Obligor under this Agreement and distribute it among the Finance Parties, other than the recovering Finance Party, accordingly.
- (b) When the Facility Agent makes a distribution under paragraph (a) above, the recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in that redistribution.
- (c) If and to the extent that the recovering Finance Party is not able to rely on any rights of subrogation under paragraph (b) above, the relevant Obligor will owe the recovering Finance Party a debt which is equal to the redistribution, immediately payable and of the type originally discharged.
- (d) If:
- (i) a recovering Finance Party must subsequently return a recovery, or an amount measured by reference to a recovery, to an Obligor; and
  - (ii) the recovering Finance Party has paid a redistribution in relation to that recovery,

each Finance Party, on the request of the Facility Agent, must reimburse the recovering Finance Party all or the appropriate portion of the redistribution paid to that Finance Party, together with interest for the period while it held the redistribution. In this event, the subrogation in paragraph (b) above will operate in reverse to the extent of the reimbursement.

### 32.3 Exceptions

Notwithstanding any other term of this Clause, a recovering Finance Party need not pay a redistribution to the extent that:

- (a) it would not, after the payment, have a valid claim against the relevant Obligor in the amount of the redistribution; or
- (b) it would be sharing with another Finance Party any amount which the recovering Finance Party has received or recovered as a result of legal or arbitration proceedings, where:
- (i) the recovering Finance Party notified the Facility Agent of those proceedings; and
  - (ii) the other Finance Party had an opportunity to participate in those proceedings but did not do so or did not take separate legal or arbitration proceedings as soon as reasonably practicable after receiving notice of them.

### 33. SEVERABILITY

If a term of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of the Finance Documents; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of the Finance Documents.

#### 34. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

#### 35. NOTICES

##### 35.1 In writing

- (a) Any communication in connection with a Finance Document must be in writing and, unless otherwise stated, may be given:
  - (i) in person, by post or fax; or
  - (ii) to the extent agreed by the Parties making and receiving communication, by e-mail or other electronic communication.
- (b) For the purpose of the Finance Documents, an electronic communication will be treated as being in writing.
- (c) Unless it is agreed to the contrary, any consent or agreement required under a Finance Document must be given in writing.

##### 35.2 Contact details

- (a) Except as provided below, the contact details of each Party for all communications in connection with the Finance Documents are those notified by that Party for this purpose to the Facility Agent on or before the date it becomes a Party.

- (b) The contact details of the Parent for this purpose are:

Address:	Eros International Plc, Fort Anne, Douglas, Isle of Man IM1 5PD
Fax number:	+44 (0) 1624 638333
E-mail:	oliver.webster@cains.com
Attention:	Oliver Webster

- (c) The contact details of each Original Guarantor for this purpose are:

- (i) Eros Worldwide FZ LLC:

Address:	Eros Worldwide FZ LLC, 529 Building No. 8, Dubai Media City, P.O. Box No: 502121, Dubai, United Arab Emirates.
Fax number:	+971 423 50847
E-mail:	erosdubai@gmail.com
Attention:	Surender Kuman Nari Sadhwani

With a copy to:

Fax number: +44 207 935 5656  
E-mail: ajay.mavinkurve@erosintl.com  
Attention: Ajay Mavinkurve

(ii) Eros International USA Inc.:

Address: Milner House, 13 Manchester Square, London, England W1U 3PP  
Fax number: +44 207 935 5656  
E-mail: andrew.heffernan@erosintl.com  
Attention: Andrew Heffernan

(d) The contact details of the Facility Agent for this purpose are:

For operational matters:

Address: Lloyds TSB Bank plc, CityMark, 150 Fountainbridge, Edinburgh, EH3 9PE  
Fax number: +44 (0)20 7158 3204  
Attention: Wholesale Loans Servicing Agency Operations

For non-operational matters:

Address: Lloyds TSB Bank plc, 10 Gresham Street, London, EC2V 7AE  
Fax number: +44 (0)20 7158 3198  
Attention: Wholesale Loans Agency

- (e) Any Party may change its contact details by giving five Business Days' notice to the Facility Agent or (in the case of the Facility Agent) to the other Parties.
- (f) Where a Party nominates a particular department or officer to receive a communication, a communication will not be effective if it fails to specify that department or officer.

### 35.3 Effectiveness

- (a) Except as provided below, any communication in connection with a Finance Document will be deemed to be given as follows:
- (i) if delivered in person, at the time of delivery;
  - (ii) if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope;
  - (iii) if by fax, when received in legible form; and
  - (iv) if by e-mail or any other electronic communication, when received in legible form.
- (b) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.
- (c) A communication to the Facility Agent will only be effective on actual receipt by it.

**35.4 Use of websites**

- (a) Except as provided below, the Parent may deliver any information under this Agreement to a Lender by posting it on to an electronic website if:
- (i) the Parent and the Facility Agent designate an electronic website for this purpose;
  - (ii) the Parent notifies the Facility Agent of the address of and password for the website; and
  - (iii) the information posted is in a format agreed between the Parent and the Facility Agent.

The Facility Agent must supply each relevant Lender with the address of and password for the website.

- (b) The Parent must, promptly upon becoming aware of its occurrence, notify the Facility Agent if:
- (i) the website cannot be accessed;
  - (ii) the website or any information on the website is infected by any electronic virus or similar software;
  - (iii) the password for the website is changed; or
  - (iv) any information to be supplied under this Agreement is posted on the website or amended after being posted.

If the circumstances in sub-paragraphs (i) or (ii) above occur, the Parent must supply any information required under this Agreement in paper form until the Facility Agent is satisfied that the circumstances giving rise to the notification are no longer continuing.

**35.5 ERISA-Related Information**

The Parent shall supply to the Facility Agent (in sufficient copies for all the Lenders, if the Facility Agent so requests):

- (i) promptly and in any event within 15 days after any US Obligor or any ERISA Affiliate files a Schedule SB (or such other schedule as contains actuarial information) to IRS Form 5500 in respect of an Employee Plan with Unfunded Pension Liabilities which could reasonably be expected to have a Material Adverse Effect, a copy of such IRS Form 5500 (including the Schedule SB);
- (ii) promptly and in any event within 30 days after any US Obligor or any ERISA Affiliate knows or has reason to know that any ERISA Event which, individually or when aggregated with any other ERISA Event, would reasonably be expected to have a Material Adverse Effect has occurred, the written statement of the Chief Financial Officer of such US Obligor or ERISA Affiliate, as applicable, describing such ERISA Event and the action, if any, which it proposes to take with respect to such ERISA Event and a copy of any notice filed with the PBGC or the IRS pertaining to such ERISA Event; provided that, in the case of ERISA Events under paragraph (e) of the definition thereof, the 30-day period set forth above shall be a 10-day period, and, in the case of ERISA Events under paragraph (b) of the definition thereof, in no event shall notice be given later than the occurrence of the ERISA Event; and

- (iii) promptly, and in any event within 30 days, after becoming aware that there has been (i) an increase in Unfunded Pension Liabilities, taking into account only Employee Plans with positive Unfunded Pension Liabilities; (ii) the existence of a potential withdrawal liability under Section 4201 of ERISA, if the Parent and its ERISA Affiliates were to completely or partially withdraw from all Multiemployer Plans; (iii) the adoption of, or the commencement of contributions to, any Employee Plan subject to Section 412 of the Code by any Obligor or any ERISA Affiliate; or (iv) the adoption of any amendment to an Employee Plan subject to Section 412 of the Code which results in an increase in contribution obligations of any Obligor, and which, to the extent that any of the events described in (i), (ii), (iii) or (iv) singularly or in aggregate, could reasonably be expected to result in a Material Adverse Effect, a detailed written description thereof from the Chief Financial Officer of each affected US Obligor or ERISA Affiliate, as applicable.

### 35.6 Obligators

- (a) All communications under the Finance Documents to or from an Obligor must be sent through the Facility Agent.
- (b) All communications under the Finance Documents to or from an Obligor (other than the Parent) must be sent through the Parent.
- (c) Any communication given to the Parent in connection with a Finance Document will be deemed to have been given also to the other Obligators.
- (d) Each Finance Party may assume that any communication made by the Parent is made with the consent of each other Obligor.

### 36. LANGUAGE

- (a) Any notice given in connection with a Finance Document must be in English.
- (b) Any other document provided in connection with a Finance Document must be:
  - (i) in English; or
  - (ii) (unless the Facility Agent otherwise agrees) accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other official document.

### 37. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in relation with it are governed by English law.

### 38. ENFORCEMENT

#### 38.1 Arbitration

- (a) Subject to Clause 38.2 (Option to litigate), the Parties agree that any dispute, claim, difference or controversy arising out of, relating to or having any connection with this Agreement and/or a Finance Document, including any question regarding the existence, validity, interpretation, performance or termination of this Agreement and/or a Finance Document (a **Dispute**) shall be referred to and finally resolved by arbitration under the Arbitration Rules of the London Court of International Arbitration (the **LCIA**) (for the purposes of this Clause, the **Rules**).

- (b) The Rules are incorporated by reference into this Clause and capitalised terms used in this Clause 38.1 which are not otherwise defined in this Agreement, have the meaning given to them in the Rules.
- (c) Three arbitrators shall be appointed. No arbitrator shall have the same nationality as any Borrower. The Obligors shall nominate, together, one arbitrator for appointment by the LCIA Court. The Facility Agent (on the instructions of the Majority Lenders) shall nominate one arbitrator for appointment by the LCIA Court. The LCIA Court shall appoint the chairman.
- (d) Each Obligor expressly agrees and consents to this procedure for nominating and appointing the Arbitral Tribunal.
- (e) The seat, or legal place of arbitration, shall be Paris, France or such other legal place as determined by the Majority Lenders. The language used in the arbitral proceedings shall be English.
- (f) All documents submitted in connection with the proceedings shall be in the English language or, if in another language, accompanied by an English translation.
- (g) The Arbitral Tribunal shall produce a final and binding award within six months of service of the Claimant's Statement of Case, the Parties shall use all reasonable efforts to assist the Arbitral Tribunal in achieving this objective, and the Parties agree that this six-month period shall only be extended in exceptional circumstances, which are to be determined by the Arbitral Tribunal in its absolute discretion.
- (h) To the extent permissible by law, the Parties waive irrevocably their right to any form of appeal, review or recourse against the award to any court or other judicial authority.
- (i) Service of any Request for Arbitration made pursuant to this Clause must be by registered post at the address given for the sending of notices, in respect to the Obligors and the Facility Agent, under Clause 34 (Notices) of the Agreement.

### **38.2 Option to litigate**

- (a) Notwithstanding the provisions of Clause 38.1 (Arbitration), the Facility Agent (on the instructions of the Majority Lenders) may, not later than 30 Business Days after service of a Request for Arbitration on any Obligor, serve written notice on such Obligor (an **Election Notice**) requiring a Dispute to be resolved in accordance with this Clause 38.2, in which case the English courts shall have exclusive jurisdiction to settle that Dispute.
- (b) If a notice is served pursuant to paragraph (a) above, requiring a Dispute to be resolved in accordance with this Clause 38.2, then each Party irrevocably agrees to the resolution of that Dispute in accordance with this Clause 38.2 and that any arbitration commenced in relation to that Dispute under Clause 38.1 (Arbitration) shall be withdrawn immediately.
- (c) The English courts are the most appropriate and convenient courts to settle any such dispute in connection with this Agreement. Each Obligor agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Agreement.
- (d) This Clause is for the benefit of the Lenders only. To the extent allowed by law, the Lenders may take:
  - (i) proceedings in any other court; and

- (ii) concurrent proceedings in any number of jurisdictions.

### **38.3 Service of process**

- (a) Each Obligor not incorporated in England and Wales irrevocably appoints Eros International Limited of 13 Milner House, Manchester Square, London W1U 3PP, United Kingdom as its agent under the Finance Documents for service of process in any proceedings before the English courts in connection with any Finance Document.
- (b) If any person appointed as process agent under this Clause is unable for any reason to so act, the Borrower (on behalf of all the Obligors) must promptly (and in any event within five Business Days of the event taking place) appoint another agent on terms acceptable to the Facility Agent. Failing this, the Facility Agent may appoint another process agent for this purpose.
- (c) Each Obligor agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.
- (d) This Clause does not affect any other method of service allowed by law.

### **38.4 Waiver of trial by jury**

EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH ANY FINANCE DOCUMENT OR ANY TRANSACTION CONTEMPLATED BY ANY FINANCE DOCUMENT. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO TRIAL BY THE COURT.

### **38.5 Waiver of immunity**

Each Obligor irrevocably and unconditionally:

- (a) agrees not to claim any immunity from proceedings brought by a Finance Party against it in relation to a Finance Document and to ensure that no such claim is made on its behalf;
- (b) consents generally to the giving of any relief or the issue of any process in connection with those proceedings; and
- (c) waives all rights of immunity in respect of it or its assets.

### **39. COMPLETE AGREEMENT**

The Finance Documents contain the complete agreement between the Parties on the matters to which they relate and supersede all prior commitments, agreements and understandings, whether written or oral, on those matters.

### **40. US PATRIOT ACT**

Each Finance Party that is subject to the requirements of the US Patriot Act hereby notifies each Obligor that pursuant to the requirements of the US Patriot Act, it is required to obtain, verify and record information that identifies the Obligors, which information includes the name and address of the Obligors and other information that will allow such Finance Party to identify the Obligors in accordance with the US Patriot Act. Each Obligor agrees that it will provide each Finance Party with such information as it may request in order for such Finance Party to satisfy the requirements of the US Patriot Act.

This Agreement has been entered into on the date stated at the beginning of this Agreement.



**SCHEDULE 1**  
**ORIGINAL PARTIES**

**PART 1**

<b>Original Borrowers</b>	<b>Registered Number</b>
Eros International Plc	007466V
Eros Worldwide FZ LLC	N/A
Eros International USA Inc.	2729666 (Delaware corporation number)

**PART 2**

<b>Original Guarantors</b>	<b>Registered Number</b>
Eros International Plc	007466V
Eros International Limited	02382637
Eros Worldwide FZ LLC	N/A
Eros International USA Inc.	2729666 (Delaware corporation number)

**PART 3**

<b>Original Lenders</b>	<b>Commitments</b>
Lloyds TSB Bank plc	US\$50,000,000
The Royal Bank of Scotland plc	US\$50,000,000
Citibank, N.A., London Branch	US\$25,000,000
	_____
<b>Total Commitments</b>	US\$125,000,000
	_____

**SCHEDULE 2****CONDITIONS PRECEDENT DOCUMENTS****PART 1****TO BE DELIVERED BEFORE THE FIRST REQUEST****Corporate documentation**

1. A copy of the constitutional documents of each Original Obligor (including, without limitation, up to date trade licences, commercial registration confirmations and chamber of commerce registration certificates, other than in respect of the Original Obligors incorporated in the United States of America) or, if the Facility Agent already has a copy, a certificate of an authorised signatory of the relevant Obligor confirming that the copy in the Facility Agent's possession is still correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
2. A copy of the certificate or articles of incorporation or other formation documents, including all amendments thereto, of the Original Obligors incorporated in the United States of America, certified as of a recent date by the Secretary of State of the state of its organization, and a certificate as to the good standing of that Original Obligor as of a recent date, from such Secretary of State.
3. A copy of a resolution of the board of directors of each Original Obligor approving the terms of, and the transactions contemplated by, this Agreement.
4. A copy of a resolution of the shareholders of each Obligor (other than the Parent and Eros International USA Inc.) approving the terms of and the transactions contemplated by this Agreement.
5. A specimen of the signature of each person authorised on behalf of each Original Obligor to enter into or witness the entry into of any Finance Document or to sign or send any document or notice in connection with any Finance Document.
6. A certificate of an authorised signatory of each Original Obligor certifying that as at the date of this Agreement:
  - (a) each copy document specified in this Schedule is correct, complete and in full force and effect;
  - (b) its entry into, and performance of the transactions contemplated by, any Finance Document to which it is a party will not breach any borrowing limit or guarantee restriction imposed on it under law or otherwise.

**Legal opinions**

1. A legal opinion of Allen & Overy LLP, legal advisers in England and Wales to the Arrangers and the Facility Agent, addressed to the Finance Parties.
2. A legal opinion of Allen & Overy LLP, legal advisers in the United Arab Emirates to the Arrangers and the Facility Agent, addressed to the Finance Parties.
3. A legal opinion of Clifford Chance US LLP, legal advisers in the United States of America to the Parent, and addressed to and for the benefit of the Finance Parties.

4. A legal opinion of Simcocks Advocates Ltd, legal advisers in the Isle of Man to the Arrangers and the Facility Agent, addressed to the Finance Parties.
5. A legal opinion of Clifford Chance LLP, legal advisers in the United Arab Emirates to the Obligors, in respect of the capacity and due authorisation of each Obligor duly incorporated under the laws of the United Arab Emirates.

**Other documents and evidence**

1. A copy of each Fee Letter duly executed.
  2. A copy of the Relationship Agreement.
  3. A copy of the:
    - (a) Original Financial Statements; and
    - (b) the latest unaudited interim consolidated financial statements for the first half of the current financial year of the Parent and the corresponding Compliance Certificate.
  4. A copy of the latest structure chart of the Group.
  5. Evidence that all fees and expenses then due and payable from the Parent under this Agreement have been or will be paid on or by the date of this Agreement.
  6. Evidence that the Existing Facilities have each been or will be irrevocably and unconditionally repaid and cancelled in full on or before the first Utilisation Date.
  7. Confirmation from each Finance Party that its “know your customer” requirements are satisfied with respect to each Original Obligor.
  8. A copy of any other authorisation or other document, opinion or assurance which the Facility Agent has (with reasonable prior notice) notified the Parent is necessary in connection with the entry into and performance of, and the transactions contemplated by, any Finance Document or for the validity and enforceability of any Finance Document.
-

**PART 2****TO BE DELIVERED BY AN ADDITIONAL OBLIGOR****Corporate documentation**

1. An Accession Agreement, duly entered into by the Parent and the Additional Guarantor.
2. A copy of the constitutional documents of the Additional Guarantor (in relation to any Additional Guarantors incorporated in the United States of America, the constitutional documents shall comprise a copy of the certificate or articles of incorporation or other formation documents, including all amendments thereto, of that Additional Guarantor, certified as of a recent date by the Secretary of State of the state of its organization, and a certificate as to the good standing of that Additional Guarantor as of a recent date, from such Secretary of State).
3. A copy of a resolution of the board of directors of the Additional Guarantor approving the terms of, and the transactions contemplated by, the Accession Agreement.
4. A specimen of the signature of each person authorised on behalf of the Additional Guarantor to enter into or witness the entry into of any Finance Document or to sign or send any document or notice in connection with any Finance Document.
5. A certificate of an authorised signatory of the Additional Guarantor certifying that each copy document specified in Part 2 of this Schedule is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Agreement.
6. If available, a copy of the latest audited accounts of the Additional Guarantor.
7. Evidence that the agent of the Additional Guarantor under the Finance Documents for service of process in England and Wales has accepted its appointment.

**Legal opinions**

8. If the Additional Guarantor is incorporated in a jurisdiction other than England and Wales, a legal opinion from its legal advisers in that jurisdiction, addressed to and in a form acceptable to the Finance Parties.
9. A legal opinion of Allen & Overy LLP, legal advisers in England and Wales to the Facility Agent, addressed to and in a form acceptable to the Finance Parties.

**Other documents and evidence**

10. Evidence that all expenses due and payable from the Parent under this Agreement in respect of the Accession Agreement have been paid.
11. A copy of any other authorisation or other document, opinion or assurance which the Facility Agent has notified to the Parent as necessary in connection with the entry into and performance of, and the transactions contemplated by, the Accession Agreement or for the validity and enforceability of any Finance Document.

**SCHEDULE 3**  
**FORM OF REQUEST**

To: LLOYDS TSB BANK PLC as Facility Agent

From: [BORROWER]

Date: [                    ]

**EROS INTERNATIONAL PLC - US\$125,000,000 Credit Agreement**  
**dated [●] (the Agreement)**

1. We refer to the Agreement. This is a Request.
2. We wish to borrow a Loan on the following terms:
  - (a) Borrower: [                    ];
  - (b) Utilisation Date: [                    ];
  - (c) Amount/currency: [                    ];
  - (d) Term: [                    ].
3. Our payment instructions are: [                    ].
4. We confirm that each condition precedent under the Agreement which must be satisfied on the date of this Request is so satisfied.
5. This Request is irrevocable.

By:

[BORROWER]

## SCHEDULE 4

### CALCULATION OF THE MANDATORY COST

#### 1. General

1.1 The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with:

- (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions); or
- (b) the requirements of the European Central Bank.

1.2 On the first day of each Term (or as soon as possible thereafter) the Facility Agent shall calculate, as a percentage rate, a rate (the “**Additional Cost Rate**”) for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Facility Agent as a weighted average of the Lenders’ Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.

1.3 The Additional Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Facility Agent. This percentage will be certified by that Lender in its notice to the Facility Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender’s participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

1.4 The Additional Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Facility Agent as follows:

- (a) in relation to a sterling Loan:

$$\frac{AB + C(B - D) + E \times 0.01}{100 - (A + C)} \text{ per cent. per annum}$$

- (b) in relation to a Loan in any currency other than sterling:

$$\frac{E \times 0.01}{300} \text{ per cent. per annum}$$

Where:

- A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.
- B is the percentage rate of interest (excluding the Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in paragraph (a) of Clause 9.4 (Interest on overdue amounts) payable for the relevant Term on the Loan.
- C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

- D is the percentage rate per annum payable by the Bank of England to the Facility Agent on interest bearing Special Deposits.
- E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Facility Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Facility Agent pursuant to paragraph 7 below and expressed in pounds per £1,000,000.
- 1.5 For the purposes of this Schedule:
- (a) “**Eligible Liabilities**” and “**Special Deposits**” have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;
  - (b) “**Fees Rules**” means the rules on periodic fees contained in the Financial Services Authority Fees Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;
  - (c) “**Fee Tariffs**” means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and
  - (d) “**Tariff Base**” has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.
- 1.6 In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.
- 1.7 If requested by the Facility Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Facility Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of that Reference Bank.
- 1.8 Each Lender shall supply any information required by the Facility Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:
- (a) the jurisdiction of its Facility Office; and
  - (b) any other information that the Facility Agent may reasonably require for such purpose.
- Each Lender shall promptly notify the Facility Agent of any change to the information provided by it pursuant to this paragraph.
- 1.9 The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Facility Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Facility Agent to the contrary, each Lender’s obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

- 1.10 The Facility Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.
- 1.11 The Facility Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.
- 1.12 Any determination by the Facility Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.
- 1.13 The Facility Agent may from time to time, after consultation with the Parent and the Lenders, determine and notify to all Parties any amendments which are required to be made to this Schedule in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all Parties.



**SCHEDULE 5**  
**FORM OF TRANSFER CERTIFICATE**

To: LLOYDS TSB BANK PLC as Facility Agent

From: [EXISTING LENDER] (the Existing Lender) and [NEW LENDER] (the New Lender)

Date: [                    ]

**EROS INTERNATIONAL PLC - US\$125,000,000 Credit Agreement**  
**dated [●] (the Agreement)**

We refer to the Agreement. This is a Transfer Certificate.

1. The Existing Lender transfers by novation to the New Lender the Existing Lender's rights and obligations referred to in the Schedule below in accordance with the terms of the Agreement.
2. The proposed Transfer Date is [    ].
3. The administrative details of the New Lender for the purposes of the Agreement are set out in the Schedule.
4. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations in respect of this Transfer Certificate contained in the Agreement.
5. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of the Transfer Certificate.
6. This Transfer Certificate is governed by English law.

**THE SCHEDULE****Rights and obligations to be transferred by novation**

[insert relevant details, including applicable Commitment (or part)]

**Administrative details of the New Lender**

[insert details of Facility Office, address for notices and payment details etc.]

**[EXISTING LENDER]****[NEW LENDER]**

By:

By:

The Transfer Date is confirmed by the Facility Agent as

[            ].

LLOYDS TSB BANK PLC

By:

**Note: It is the responsibility of each New Lender to ascertain whether any other document or formality is required to perfect the transfer contemplated by this Transfer Certificate or to take the benefit of any interest in any security.**

**SCHEDULE 6****FORM OF COMPLIANCE CERTIFICATE**

To: LLOYDS TSB BANK PLC as Facility Agent

From: EROS INTERNATIONAL PLC

Date: [ ]

**EROS INTERNATIONAL PLC - US\$125,000,000 Credit Agreement  
dated [●] (the Agreement)**

1. We refer to the Agreement. This is a Compliance Certificate.
2. We confirm that as at [*relevant testing date*]:
  - (a) the Adjusted EBITDA was [ ]; and Total Net Borrowings are [ ]; therefore, Total Net Borrowings are [ ] times Adjusted EBITDA;
  - (b) Consolidated EBITDA was [ ] and Net Finance Costs were [ ]; therefore, the ratio of Consolidated EBITDA to Net Finance Costs was [ ] to 1;
  - (c) Cashflow was [ ] and [Debt Service was [ ]], therefore the ratio of Cashflow to Debt Service for the Adjusted Group was [ ]; and
  - (d) the EBITDA of the Obligors constitute [ ]% of EBIDTA of the Adjusted Group on a consolidated basis.
3. We set out below calculations establishing the figures in paragraph 2 above:  
[ ].
4. We confirm that as at [*relevant testing date*] the following companies constitute Material Companies for the purposes of the Agreement:  
[ ].
5. We confirm that as at [*relevant testing date*] [no Default is outstanding]/[the following Default[s] [is/are] outstanding and the following steps are being taken to remedy [it/them]:  
[ ].

EROS INTERNATIONAL PLC

By:

**SCHEDULE 7**  
**FORM OF ACCESSION AGREEMENT**

To: LLOYDS TSB BANK PLC as Facility Agent

From: EROS INTERNATIONAL PLC and [*Proposed Guarantor/Borrower*]

Date: [                    ]

**EROS INTERNATIONAL PLC – US\$125,000,000 Credit Agreement**  
**dated [●] (the Agreement)**

We refer to the Agreement. This is an Accession Agreement.

Terms defined in the Agreement have, unless otherwise defined, the same meaning in this Accession Agreement.

[*Name of company*] of [*address/registered office*] agrees to become an Additional [Guarantor]/[Borrower] and to be bound by the terms of the Agreement and the other Finance Documents as an Additional [Guarantor]/[Borrower] pursuant to Clause 28 (Changes to the Parties) of the Agreement. [*Name of company*] is a company duly incorporated under the laws of [*name of relevant jurisdiction*] and is a [*form of incorporation*] company with registered number [●].

This Accession Agreement is intended to take effect as a deed and has been signed on behalf of the Parent and executed as a deed by [*Name of company*] and is delivered on the date stated above.

This Accession Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

EROS INTERNATIONAL PLC

By:

Executed as a deed for and on behalf of [*PROPOSED GUARANTOR/BORROWER*]

By:

[Authorised Signatory]

By:

Authorised Signatory]

**SCHEDULE 8**  
**FORM OF RESIGNATION REQUEST**

To: LLOYDS TSB BANK PLC as Facility Agent

From: EROS INTERNATIONAL PLC and [*relevant Obligor*]

Date: [                    ]

**EROS INTERNATIONAL PLC - US\$125,000,000 Credit Agreement**  
**dated [●] (the Agreement)**

1. We refer to the Agreement. This is a Resignation Request. Terms defined in the Agreement have the same meaning in this Resignation Request unless given a different meaning in this Resignation Request.
2. Pursuant to [Clause 28.3 (Resignation of a Borrower)]/[Clause 28.5 (Resignation of a Guarantor)], we request that [*resigning Obligor*] be released from its obligations as a [Guarantor]/[Borrower] under the Agreement and the Finance Documents.
3. We confirm that no Default is outstanding or would result from the acceptance of this Resignation Request.
4. We confirm that as at the date of this Resignation Request no amount owed by [*resigning Obligor*] under the Agreement or any other Finance Document is outstanding.
5. This Resignation Request and any non-contractual obligations arising out of or in connection with it are governed by English law.

EROS INTERNATIONAL PLC

[*RELEVANT OBLIGOR*]

By:

By:

The Facility Agent confirms that this resignation takes effect on [            ].

LLOYDS TSB BANK PLC

By:

**SCHEDULE 9**  
**EXISTING SECURITY**

<b>Entity</b>	<b>Bank</b>	<b>Facility Limit '000</b>	<b>Facility limit US\$'000</b>	<b>Security</b>
Eros International Limited	Bank of India	US\$27,500	27,500	Mortgage over properties situated at Unit 23 Sovereign Park, Coronation Road, London NW10 7PQ Debenture (all monies charge) dated 7 May 2003 Deed of charge on deposits dated 27 July 2010

**SCHEDULE 10**  
**FORM OF INCREASE CONFIRMATION**

To: Lloyds TSB Bank plc, as Facility Agent; and  
Eros International plc, as Parent, for and on behalf of each Obligor

From: [the *Increase Lender/Accordion Bank*] (the “[**Increase Lender/Accordion Bank**]”)

Dated:

**EROS INTERNATIONAL PLC - US\$125,000,000 Credit Agreement**  
**dated [●] (the Facilities Agreement)**

We refer to the Facilities Agreement. This agreement (the “**Agreement**”) shall take effect as an Increase Confirmation for the purpose of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

- (a) We refer to Clause [2.2 (Increase – for Defaulting Lender or illegality)/2.3 (Voluntary Increase)] of the Facilities Agreement.
- (b) The [Increase Lender/Accordion Bank] agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the “**Relevant Commitment**”) as if it was an Original Lender under the Facilities Agreement.
- (c) The proposed date on which the increase in relation to the [Increase Lender/Accordion Bank] and the Relevant Commitment is to take effect (the “**Increase Date**”) is [●].
- (d) On the Increase Date, the [Increase Lender/Accordion Bank] becomes party to the relevant Finance Documents as a Lender.
- (e) The Facility Office and address, fax number and attention details for notices to the [Increase Lender/Accordion Bank] for the purposes of Clause 35 (Notices) are set out in the Schedule.
- (f) The [Increase Lender/Accordion Bank] confirms, for the benefit of the Facility Agent and without liability to any Obligor, that it is not a member of the Group or an affiliate of a member of the Group.
- (g) The [Increase Lender/Accordion Bank] confirms, for the benefit of the Facility Agent and without liability to any Obligor, that it is [a Qualifying Lender (other than a Treaty Lender)]/[a Treaty Lender]/[not a Qualifying Lender].
- (h) [The [Increase Lender/Accordion Bank] confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:
  - (i) a company resident in the United Kingdom for United Kingdom tax purposes; or
  - (ii) a partnership each member of which is:

- (A) a company so resident in the United Kingdom; or
  - (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or
- (iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.<sup>(1)</sup>
- (i) [The [Increase/Accordion Bank] confirms (for the benefit of the Facility Agent and without liability to any Obligor) that it is a Treaty Lender that holds a passport under the HMRC DT Treaty Passport scheme (reference number [●]) and is tax resident in [●], so that interest payable to it by borrowers is generally subject to full exemption from UK withholding tax and notifies the Parent that:
- (i) each Borrower which is a Party as a Borrower as at the Increase Date must, to the extent that the Increase Lender becomes a Lender under a Facility which is made available to that Borrower pursuant to clause 2.1 (The Facilities) of the Facilities Agreement, make an application to HM Revenue & Customs under form DTTP2 within 30 days of the Increase Date; and
  - (ii) each Additional Borrower which becomes an Additional Borrower after the Increase Date must, to the extent that the Increase Lender is a Lender under a Facility which is made available to that Additional Borrower pursuant to clause 2.1 (*The Facilities*) of the Facilities Agreement, make an application to HM Revenue & Customs under form DTTP2 within 30 days of becoming an Additional Borrower.<sup>(2)</sup>
- (j) This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
- (k) This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
- (l) This Agreement has been entered into on the date stated at the beginning of this Agreement.

(1) Include only if New Lender is a UK non-bank Lender.

(2) This confirmation must be included if the Increase Lender holds a passport under the HMRC DT Treaty Passport scheme and wishes that scheme to apply to the Facilities Agreement.



**THE SCHEDULE****Relevant Commitment/rights and obligations to be assumed by the Increase Lender**

*[insert relevant details]*

*[Facility office address, fax number and attention details for notices and account details for payments]*

[[Increase Lender/Accordion Bank]]

By:

This Agreement is accepted as an Increase Confirmation for the purposes of the Facilities Agreement by the Facility Agent and the Increase Date is confirmed as [●].

Facility Agent

By:

**SIGNATORIES TO THE CREDIT AGREEMENT**

**Original Borrowers**

**EROS INTERNATIONAL PLC**

By: Kishore Lulla

**EROS WORLDWIDE FZ LLC**

By: Andrew Heffernan

**EROS INTERNATIONAL USA INC.**

By: Kishore Lulla

**Original Guarantors****EROS INTERNATIONAL PLC**

By: Kishore Lulla

**EROS WORLDWIDE FZ LLC**

By: Andrew Heffernan

**EROS INTERNATIONAL LIMITED**

By: Andrew Heffernan

**EROS INTERNATIONAL USA INC.**

By: Kishore Lulla

**Arrangers**

**CITIBANK, N.A., LONDON BRANCH**

By: Eric Standing

**LLOYDS TSB BANK PLC**

By: Wayne Robinson

**THE ROYAL BANK OF SCOTLAND PLC**

By: Jeremy Fournier

**Original Lenders****LLOYDS TSB BANK PLC**

By: Wayne Robinson

**THE ROYAL BANK OF SCOTLAND PLC**

By: Jeremy Fournier

**CITIBANK, N.A., LONDON BRANCH**

By: Eric Standing

**Facility Agent**

**LLOYDS TSB BANK PLC**

By: Wayne Robinson

## Exhibit 8.1

## SUBSIDIARIES OF EROS INTERNATIONALPLC

Registrant's consolidated subsidiaries are shown below together with the percentage of voting securities owned as of the date of this filing, and the state or jurisdiction of organization of each subsidiary. The names have been omitted for subsidiaries which, if considered in the aggregate as a single subsidiary, do not constitute a significant subsidiary.

	Date incorporated	Jurisdiction of incorporation or organization	% of voting rights held
Copsale Limited	June 2006	British Virgin Islands	100.00
Eros Australia Pty Limited	June 2006	Australia	100.00
Eros International Films Pvt. Limited	June 2006	India	100.00
Eros International Limited	June 2006	United Kingdom	100.00
Eros International Media Limited	June 2006	India	74.40
Eros International USA Inc	June 2006	United States	100.00
Eros Music Publishing Limited	June 2006	United Kingdom	100.00
Eros Network Limited	June 2006	United Kingdom	100.00
Eros Pacific Limited	June 2006	Fiji	100.00
Eros Worldwide FZ-LLC	June 2006	United Arab Emirates	100.00
Big Screen Entertainment Pvt. Limited	January 2007	India	64.00
Ayngaran International Limited	October 2007	Isle of Man	51.00
Ayngaran International Media Pvt. Limited	October 2007	India	51.00
Ayngaran International UK Limited	October 2007	United Kingdom	51.00
EyeQube Studios Pvt. Limited	January 2008	India	99.99
Acacia Investments Holdings Limited	April 2008	Isle of Man	100.00
Ayngaran Anak Media Pvt. Limited	October 2008	India	51.00
Belvedere Holdings Pte. Ltd.	March 2010	Singapore	100.00
Eros International Pte Ltd.	August 2010	Singapore	100.00
Digicine Pte. Limited	March 2012	Singapore	100.00
Colour Yellow Productions Pvt. Limited	May 2014	India	50.00
Eros Digital FZ LLC	February 2015	United Arab Emirates	100.00
Eros Holdings FZ LLC	February 2015	United Arab Emirates	100.00

**Federation of  
Indian Chambers  
of Commerce and Industry**

Federation House  
Tansen Marg  
New Delhi - 110001  
T : +91 11 23738760 (11 lines)  
F : +91 11 23320714 / 23721504  
E : [ficci@ficci.com](mailto:ficci@ficci.com)  
[www.ficci.com](http://www.ficci.com)  
CIN : U99999DL 1956NPL002635

**Leena Jaisani**  
Sr. Director & Head- Media & Entertainment Division

June 24, 2015

Ms Jyoti Deshpande  
Chief Executive Officer  
Eros International Plc  
Fort Anne  
South Quay  
Douglas  
Isle of Man IM1 5PD

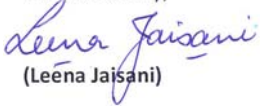
Re: Consent to use of extracts and reference to FICCI-KPMG Indian Media and Entertainment Industry Reports by Eros International Pic (the "Company")

Dear Ms. Deshpande,

Reference is hereby made to the Federation of Indian Chambers of Commerce and Industry ( "FICCI")KPMG Indian Media and Entertainment Industry Report 2015 ("2015 Report"), the FICCI-KPMG Indian Media and Entertainment Industry Report 2014 ("2014 Report"), the FICCI-KPMG Indian Media and Entertainment Industry Report 2013 ("2013 Report"), the FICCI-KPMG Indian Media and Entertainment Industry Report 2012 ("2012 Report"), the FICCI-KPMG Indian Media and Entertainment Industry Report 2011 ("2011 Report"), the FICCI- KPMG Indian Media and Entertainment Industry Report 2010 ("2010 Report") and the FICCI-KPMG Indian Media and Entertainment Industry Report 2009 ("2009 Report", and together with 2010 Report, 2011 Report, 2012 Report, 2013 Report, 2014 Report and 2015 the "Reports").

We hereby consent to the inclusion of our name, extracts of the Reports and reference to, or summaries of, the Reports in any document issued by the Company and / or any of its subsidiaries, including but not restricted to Form 20-F filed as Annual Report for the Financial Year ended March 31, 2015 pursuant to section 13 or 15(d) of the Securities exchange Act of 1934 and any other documents that may be filed, submitted or used in connection with SEC filings

Yours sincerely,

  
(Leena Jaisani)

Industry's Voice for Policy Change