

Independent Auditor's Report on Quarterly and Year to Date Audited Standalone Financial Results of EROS INTERNATIONAL MEDIA LIMITED Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended)

To,
The Board of Directors of
Eros International Media Limited

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying Statement of quarterly and year to date standalone financial results of **EROS INTERNATIONAL MEDIA LIMITED** ("the Company") for the quarter and year ended March 31, 2021 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- i. is presented in accordance with requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss, other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013, as amended (the "Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

As stated in Note No.6 of the standalone financial statements, the economic uncertainty created by the novel coronavirus has resulted in significant business disruptions for film distributor and broadcasting companies. These conditions, along with other matter as set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the



Company's ability to continue as a going concern.

Our opinion is not modified in respect of this above matter.

Emphasis of Matter

We draw attention to Note No. 8 of the standalone financial statements, which describes the Company's management evaluation of Covid 19 impact on the future business operations and future cash flows of the Company and its consequential effects on the carrying value of assets as on March 31, 2021. In view of uncertain economic conditions, the Company's management's evaluation of impact on subsequent periods is highly dependent upon conditions as they evolve. Our opinion is not modified in respect of this matter.

Management's Responsibility for the Standalone Financial Results

The statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation of statement that gives a true and fair view of the net loss and other comprehensive income of the Company and other financial information in accordance with the accounting standards specified under Section 133 of the Act, read with the relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

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



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

Other Matters

- (i) Remuneration paid by the Company to its Executive Vice Chairman and Managing Director for the year ended March 31, 2021 is in excess by Rs. 400 Lakhs vis-à-vis the limits specified in Section 197 of Companies Act, 2013 ('the Act') read with Schedule V for which Company is seeking approval of shareholders in ensuring annual general meeting.
- (ii) The statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration no. 101720W/W100355)

Amit Chaturvedi

Partner

Membership No.:103141

UDIN: 21103141AAAAOM6824

Place: Mumbai

Date: 28th June, 2021





Eros International Media Limited

CIN: L99999MH1994PLC080502

Regd. Office : 201 Kailash Plaza, Plot No A-12, Opp Laxmi Industrial Estate, Link Road, Andheri (W), Mumbai 400053

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED AS AT 31 MARCH 2021

(₹ in lakhs, except per share data)

Particulars	Quarter ended 31 March 2021 (Unaudited) Refer note 9	Quarter ended 31 March 2020 (Unaudited) Refer note 9	Quarter ended 31 December 2020 (Unaudited)	Year ended 31 March 2021 (Audited)	Year ended 31 March 2020 (Audited)
Income					
I Net sales/income from operations	10,144	8,932	5,922	24,450	66,900
II Other income	1,947	4,339	679	6,814	5,547
III Total income (I+II)	12,091	13,271	6,601	31,264	72,447
Expenses					
a) Film right costs including amortization costs	11,080	3,879	4,455	22,386	23,556
b) Changes in inventories of film rights	(850)	(4)	1	(846)	297
c) Employee benefits expense	765	621	826	3,138	2,974
d) Finance costs (net)	2,481	1,693	2,910	10,943	7,075
e) Depreciation and amortization expense	147	185	161	610	818
f) Other expenses	7,920	22,023	725	10,880	47,661
Total expenses (IV)	21,543	28,397	9,078	47,111	82,381
V Profit/(loss) before exceptional item and tax (III-IV)	(9,452)	(15,126)	(2,477)	(15,847)	(9,934)
VI Exceptional (loss)/ gain	-	(1,27,850)	-	-	(1,27,850)
VII Profit/(loss) before tax (V-VI)	(9,452)	(1,42,976)	(2,477)	(15,847)	(1,37,784)
Tax expense					
a) Current tax including short/ (excess) provision of earlier periods	1,136	(7,014)	-	1,136	(2,921)
b) Deferred Tax	-	(17,026)	-	-	(18,790)
Total tax expenses/(credit) net	1,136	(24,040)	-	1,136	(21,711)
IX Profit/(loss) for the period (VII-VIII)	(10,588)	(1,18,936)	(2,477)	(16,983)	(1,16,073)
X Other comprehensive income/(loss): not to be reclassified- net of taxes	(2)	66	(7)	(14)	95
XI Total comprehensive income/(loss) for the period	(10,590)	(1,18,870)	(2,484)	(16,997)	(1,15,978)
XII Paid-up equity share capital (face value of ₹ 10 each)	9,586	9,563	9,581	9,586	9,563
XIII Other equity excluding revaluation reserve	-	-	-	11,518	28,417
XIV Earnings per share (EPS) (of ₹ 10 each) (not annualised)					
Basic	(11.05)	(124.53)	(2.59)	(17.74)	(121.48)
Diluted	(11.05)	(124.53)	(2.59)	(17.74)	(121.48)



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Notes :

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 28 June 2021
- Statement of assets and liabilities (Amount In ₹ Lakhs, unless otherwise stated)

Particulars	₹ in lakhs	₹ in lakhs
	As at 31 March 2021	As at 31 March 2020
Assets		
Non-current assets		
Property, plant and equipment	4,961	3,305
Intangible assets		
a) Content advances	35,437	41,525
b) Film rights	29,145	36,258
c) Other intangible assets	48	27
d) Intangible assets under development	324	5,874
Financial assets		
a) Investments	4,502	4,502
b) Loans	545	545
c) Restricted bank deposits	98	41
d) Other financial assets	280	279
Other non-current assets	6,634	3,838
Total non-current assets	81,974	96,194
Current assets		
Inventories	850	4
Financial assets		
a) Trade receivables	46,081	52,590
b) Cash and cash equivalents	874	102
c) Restricted bank deposits	2,754	3,609
d) Loans and advances	838	720
e) Other financial assets	90	69
Other current assets	110	142
Total current assets	51,597	57,236
Total assets	1,33,571	1,53,430
Equity		
Equity share capital	9,586	9,563
Other equity	11,518	28,417
Total equity	21,104	37,980
Liabilities		
Non-current liabilities		
Financial liabilities		
a) Borrowings	4	63
b) Trade payables		
i) Total outstanding dues of micro and small enterprises	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises	17,999	118
c) Other financial liabilities	1,674	47
Employee benefit obligations	265	318
Other non-current liabilities	2,521	4,424
Total non-current liabilities	22,463	4,970
Current liabilities		
Financial liabilities		
a) Borrowings	49,696	49,423
b) Acceptances	1,400	1,400
c) Trade payables		
i) Total outstanding dues of micro and small enterprises	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises	12,673	28,394
d) Other financial liabilities	10,345	10,932
Employee benefit obligations	239	301
Other current liabilities	8,112	13,054
Current tax liabilities	7,539	6,976
Total current liabilities	90,004	1,10,480
Total liabilities	12,467	1,15,450
Total equity and liabilities	1,33,571	1,53,430



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3 Statement of Cash Flow

Particulars	₹ in lakhs	₹ in lakhs
	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit/(loss) before tax	(15,847)	(1,37,784)
Non-cash adjustments to reconcile Profit before tax to net cash flows		
Depreciation and amortisation	13,873	17,579
Bad debts and trade receivables written off	1,069	44,966
Sundry balances written back	(1,648)	(882)
Content advances written off	5,596	-
Provision/(Reversal of provision) for doubtful advances	531	(1,687)
Reversal of Provision of Impairment of Content advance	(3,284)	-
Impairment of content advance provision (exceptional item)	-	1,06,812
Impairment of film rights (exceptional item)	-	17,251
Impairment of other advances provision (exceptional item)	-	762
Impairment of content advance written off (exceptional item)	-	3,025
Reversal of expected credit loss	(21)	-
Finance costs	11,150	7,366
Interest income	(578)	(290)
Gratuity	56	112
(Gain) on sale of tangible assets (net)	(1)	-
Impairment loss on Investment	-	332
Expense on employee stock option scheme	98	85
Unrealised foreign exchange gain	(652)	1,176
Operating profit before working capital changes	10,342	58,823
(Decrease) in current liabilities	(6,844)	(15,438)
Increase/(Decrease) in other financial liabilities	138	(109)
Increase/(Decrease) in trade payables	15,985	(397)
(Decrease) in employee benefit obligations	(184)	(103)
Decrease in inventories	0	-
(Increase)/Decrease in trade receivables	6,907	(28,431)
(Increase)/Decrease in other current assets	(184)	101
(Increase) /Decrease in other non- current assets	(2,796)	416
(Increase)/Decrease in short-term loans and advances	(118)	1,126
(Increase)/Decrease in other financial assets	1	(364)
Cash generated from operations	23,247	15,624
Taxes paid (net)	(2,301)	(2,951)
Net cash generated from operating activities (A)	20,946	12,673
Cash flow from investing activities		
Purchase of tangible assets	(146)	(40)
Purchase of intangible film rights and related content	(10,829)	(3,635)
Deposits with banks (net)	798	2,843
Proceeds from sale of fixed assets	6	1
Interest income	186	449
Net cash used in investing activities (B)	(9,985)	(382)
Cash flows from financing activities		
Proceeds from issue of equity shares (net)	24	12
Repayment of long-term borrowings	(2,274)	(5,201)
Change in short-term borrowings	(2,189)	(1,741)
Finance charges (net)	(5,750)	(5,527)
Net cash flow from / (used) in financing activities (C)	(10,189)	(12,457)
Net decrease in cash and cash equivalents (A + B + C)	772	(166)
Cash and cash equivalents at the beginning of the year	102	268
Cash and cash equivalents at the end of the year	874	102

* Amount less than one lakhs



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- 4 The Company operates on a single reportable segment, which is co-production, acquisition and distribution of Indian language films in multiple formats, being governed by similar risks and returns, forming the primary business segment. Accordingly, no segment information has been submitted as a part of the quarterly financial results presented.
- 5 One time restructuring under the RBI's Resolution Framework for Covid-19 related stress dated 6 August 2020 and Resolution Framework for Covid-19 related stress- Financial Parameters dated 7 September 2020 were invoked by the company and consortium bankers on 24 December 2020. The plan was approved for implementation by the company's bankers on 22 June 2021 and outstanding debts liabilities including those due after cut-off date of 1 January 2021 till approval date are restructured for payment. The impact of the restructuring has not been considered in these financial results, pending issue of revised sanction letters and other documents from all bankers.
- 6 The company has incurred loss for the year amounting ₹ 16,983 lacs in current year and ₹ 116,073 lakhs [after considering the impact of an impairment loss amounting ₹ 127,850 lakhs] in previous financial year. As at 31 March, 2021, the current liabilities exceeds the current assets by ₹ 38,407 lacs. The Company is dependent upon external borrowings for its working capital needs and investment in content and film rights. The Company has trade receivables of ₹ 35,124 lacs due from holding company which is in the business of film rights distribution. Given the continued economic uncertainty created by the novel coronavirus coupled with significant business disruptions for film distributor and broadcasting companies, there is likely be an increase in events and circumstances which may cast doubt on a company's ability to continues as a going concern. The Company has considered the impact of these uncertainties and factored them into their financial forecasts that considers the realisation of dues from holding company and restructuring of the borrowing facilities (which is approved on 22 June 2021). For this reason, Management continues to adopt the going concern basis in preparing the financial results.
- 7 Company would be seeking approval of shareholders, in ensuring annual general meeting to approve the excess remuneration of ₹ 400 lakh accrued/paid to Vice Chairman and Managing Director for the year ended 31 March 2021, arising due to losses during the year.
- 8 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on 11 March 2020. On 24 March 2020, the Government announced lockdown across the country to contain the spread of the virus. Further, lockdown like conditions have been imposed by government to curtail the second wave in 5 April 2021. This pandemic and response thereon have impacted most of the industries. The film industry has been impacted due to closures of theatres and restrictions on film shoots. The impact on company's future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Company. The Management has evaluated the impact on its financial statements and have made appropriate adjustments, wherever required. The extent of the impact on Company's operations remains uncertain and may differ from that estimated as at the date of approval of these standalone financial statements and will be dictated by the length of time that such disruptions continue, which will, in turn, depend on the currently unknowable duration of COVID-19 and among other things, the impact of governmental actions imposed in response to the pandemic. The Company is monitoring the rapidly evolving situation and its potential impacts on the Company's financial position, results of operations, liquidity, and cash flows.
- 9 The figures for the last quarters ended 31 March 2021 and 31 March 2020 are the balancing figures between audited figures for the full financial year ended 31 March 2021 and 31 March 2020 and the unaudited published year-to-date figures up to 31 December 2020 and 31 December 2019 respectively, being the date of the end of the third quarter of the respective financial year.
- 10 The Company's financial results for any period fluctuate due to film release schedules which take into account holidays and festivals in India and elsewhere, competitor film releases and sporting events.

Place: Mumbai
Date : 28 June 2021



For and on behalf of Board of Directors
Farook P Gandhi
Chief Financial Officer and Executive Director
DIN: 03112612

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