

EROS**INTERNATIONAL****Eros International Media Limited**

CIN: L99999MH1994PLC080502

Regd. Office : 901/902, Supreme Chambers, Off Veera Desai Road, Andheri (West), Mumbai - 400053
CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2023

(₹ in lakhs, except per share data)

Particulars	Quarter ended 30 June 2023 (Unaudited)	Quarter ended 31 March 2023 (Audited) (Refer note 8)	Quarter ended 30 June 2022 (Unaudited)	Year ended 31 March 2023 (Audited)
Income				
I Net sales/income from operations	652	40,705	3,655	68,063
II Other income	1,810	(258)	2,974	7,588
III Total income (I+II)	2,462	40,447	6,629	75,651
IV Expenses				
a) Operational Costs	2,552	29,266	3,958	62,306
b) Changes in inventories of film rights	2,775	(9)	(9)	(9)
b) Employee benefits expense	876	443	996	3,180
c) Finance costs (net)	1,063	1,923	1,523	6,899
d) Depreciation and amortization expense	147	186	168	683
e) Other expenses	6,231	9,273	2,633	14,560
Total expenses (IV)	13,644	41,082	9,269	87,619
V Loss before tax (III-IV)	(11,182)	(635)	(2,640)	(11,968)
VI Tax expense				
a) Current tax	(8)	(7)	3	(3)
b) Deferred tax expenses/(income)	1	16	(21)	13
Total tax expenses/(credit) net	(7)	9	(18)	10
VII Loss for the period (V-VI)	(11,175)	(644)	(2,622)	(11,978)
Attributable to:				
Equity holders of Eros International Media Limited	(11,074)	(512)	(2,605)	(11,655)
Non-Controlling Interests	(101)	(132)	(17)	(323)
VIII Other Comprehensive Income/(loss)				
a) Items that will not be reclassified to profit or loss (net of taxes)	-	(12)	-	(31)
b) Items that will be reclassified subsequently to profit or loss	(67)	(664)	3,852	7,854
Total other comprehensive Income/(loss) for the period	(67)	(676)	3,852	7,823
IX Total comprehensive Income for the period (VII+VIII)	(11,242)	(1,320)	1,230	(4,155)
Attributable to:				
Equity holders of Eros International Media Limited	(11,140)	(1,190)	1,247	(3,833)
Non-Controlling Interests	(102)	(130)	(17)	(322)
X Paid up equity share capital (Face value of ₹ 10 each)	9,591	9,591	9,588	9,591
XI Other equity excluding revaluation reserve				93,110
XII Earnings per share (EPS) (in Rs.) (of ₹ 10 each) (not annualised)				
Basic	(11.65)	(0.67)	(2.74)	(12.48)
Diluted	(11.65)	(0.67)	(2.74)	(12.48)

Notes :

- The consolidated financial results for the quarter ended June 30, 2023 have been reviewed by the Audit Committee and then approved by the Board of Directors at their meetings held on August 11, 2023.
- The Group 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.
- The Parent Company has trade receivables of Rs. 42,384 lakhs from Eros Worldwide FZ LLC ("EWW") ("Company having significant influence"), which are overdue. As against this, there is trade payables of Rs. 25,820 lakhs to EWW for which the Parent Company has filed an application with RBI through Authorised Dealer for setting-off trade payables against trade receivables. After considering the setoff of trade payables, the Parent Company would have net trade receivables of Rs. 16,564 lakhs from EWW. Apart from EWW, the Parent Company has trade receivables of Rs. 7,159 lakhs (net of trade payables of Rs. 317 lakhs) from Eros International Limited UK and Rs. 3,120 lakhs from Eros International USA Inc (both fellow subsidiaries of EWW).
The Parent Company has trade payables of Rs. 13,952 lakhs (net of trade receivables of Rs. 6,829 lakhs) from Eros Digital FZ LLC ("EDFL") (fellow subsidiary of EWW) which is long over due. Considering all trade receivables and trade payables to group entities, the Parent Company has net trade receivables of Rs. 12,892 lakhs.
As per the management accounts for year ended March 31, 2023, net worth of these companies has been eroded and has incurred losses in that year. Further, EWW has made significant write down in previous year in the carrying amount of film content. The parent Company of aforesaid entities i.e. Eros Media World PLC is committed to continue to support these entities. Based on the future business plans of EWW, management is confident of recovery of above dues from related parties and does not consider it necessary to make any provisions in this regard.
- As of June 30, 2023, the group has incurred a net loss of Rs. 11,175 lakhs. Additionally the group has defaulted on payment of statutory dues on certain occasions. These circumstances give rise to material uncertainties that could significantly affect the Group's ability to continue operating as a going concern. To address these challenges, the group has implemented various measures to enhance liquidity, such as restructuring borrowing facilities, conserving cash through cost-saving initiatives, and maximizing revenue by entering into long-term contracts to monetize the film/music library and recover overdue trade receivables. The group has taken these uncertainties and measures into account when preparing its financial forecasts. Therefore, based on these considerations, management has decided to continue preparing the financial results on a going concern basis.
- Inventory includes accumulated film right costs amounting to Rs. 450 lakhs wherein there has been no movement since March 2021. The Management is of the opinion that realisable value of the said Film rights will be equal to / more than cost of Inventory, hence, no provision towards impairment needs to be made as on date.
- As on June 30, 2023, Content advances aggregate to Rs. 15,012 lakhs (net of provision). Based on the various initiatives of Capital infusion as well as monetisation of rights, the management is of the opinion that the content advances which are for continuing projects are all good and realizable and no further provision is required other than those already created in the books of account.
- Securities and Exchange Board of India (SEBI) has vide its letter dated October 31, 2022 has appointed the Forensic Auditor to verify the Consolidated Financial Statements of the Group for financial year ended March 31, 2018, March 31, 2019 and March 31, 2020. The Parent Company has already furnished details and data sought by the Forensic Auditor and has not heard anything more during the Quarter in this regard. Subsequently, on June 22, 2023, SEBI passed an interim order which was disclosed in compliance with SEBI LODR June 22, 2023 by the Parent Company (<https://www.bscindia.com/xml-data/corpfiling/AttachHis/52c0551f-19bd-48f9-b038-003b9ede199e.pdf>). The Parent Company has preferred an appeal against the interim order with Securities Appellate Tribunal (SAT). The matter has been heard and order is awaited.
- The figures of the quarter ended March 31, 2023 are the balancing figure between the audited figures in respect of the full financial year ended March 31, 2023 and published year to-date figures up to the third quarter ended December 31, 2022, which were subject to limited review.

**EROS INTERNATIONAL MEDIA LIMITED**

For and on behalf of Board of Directors
Pradeep Dwivedi

Pradeep Dwivedi

DIN: 07780146

Executive Director and Chief Executive Officer

Place Mumbai
Date : 11 August, 2023

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

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Independent Auditor's Review Report on quarterly Unaudited Consolidated Financial Results of Eros International Media Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Board of Directors

Eros International Media Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Eros International Media Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended June 30, 2023 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



4. The Statement includes the results of the following entities:

Sr. No.	Name of the Entity	Relationship
1.	EROS International Media Limited	Parent
2.	EROS International Films Private Limited	Subsidiary
3.	Eyeqube Studios Private Limited	Subsidiary
4.	EM Publishing Private Limited	Subsidiary
5.	EROS Animation Private Limited	Subsidiary
6.	Digicine PTE Limited	Subsidiary
7.	EROSNow Private Limited	Subsidiary
8.	Big Screen Entertainment Private Limited	Subsidiary
9.	Copsale Limited	Subsidiary
10.	Colour Yellow Productions Private Limited	Subsidiary

5. Qualified Conclusion

- a) As stated in Note 3 to the Statement, the Parent Company has trade receivables from group entities amounting to Rs. 16,564 Lakhs (net of payable of Rs. 25,820 Lakhs) from Eros Worldwide FZ LLC (“EWW”), Rs. 7,159 Lakhs (net of payable of Rs. 317 Lakhs) from Eros International Limited UK, Rs. 3,120 Lakhs from Eros International USA Inc. Receivable of Rs. 42,384 Lakhs from EWW which are overdue for long period of time, payments for which are not forthcoming. Basis the management accounts provided to us for the year ended March 31, 2023, the net worth of the aforesaid group entities have fully eroded and they have also incurred losses during that year. As described in the aforementioned note, the management, basis its internal assessment, has considered that since the receivables are from group entities, they are good and fully recoverable as at June 30, 2023 and no provision is required thereof. Accordingly, the Parent Company has not created provision as per the expected credit loss (ECL) in accordance with Indian Accounting Standard - 109, “Financial Instruments” (‘Ind AS 109) amounting to Rs. 23,443 Lakhs. The loss for the quarter ended June 30, 2023 is understated to that extent.

However, the management has not carried out a detailed and comprehensive impairment testing in accordance with the principles of Indian Accounting Standard - 109, “Financial Instruments” with respect to the aforesaid trade receivables. In the absence of sufficient appropriate audit evidence to support the management’s aforesaid assessment, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these trade receivables as at June 30, 2023 and the consequential impact of the same on the loss for the quarter ended June 30, 2023.



- b) We draw attention to Note 7 to the accompanying Statement, wherein as mentioned the Securities and Exchange Board of India (SEBI) has appointed Forensic Auditor to verify the Consolidated Financial Statements of the Group for financial year ended March 31, 2018, March 31, 2019 and March 31, 2020 and status on the matter as on date. Further SEBI has passed an interim order on June 22, 2023 and the Parent Company has preferred an appeal against the said interim order with Securities Appellate Tribunal (SAT). The matter has been heard and order is awaited. Pending completion of proceedings and regulatory investigations, we are unable to comment on the possible consequential effects thereof, if any, on the statement of the Group.

The opinion expressed by us on the consolidated financial statements of the Group for the year ended March 31, 2023 vide our report dated May 29, 2023, was also qualified in respect of the matters referred in para 5 (a) and (b) above.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review reports of the other auditors referred to in paragraph 9 below and subject to the possible effects of the matters described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. **Material uncertainty relating to Going Concern**

We draw attention to Note 4 to the Statement which indicates that the Group has incurred a net loss of Rs. 11,175 Lakhs for the quarter ended June 30, 2023. The events or conditions, along with other matters as set forth in Note 4, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The assumption of going concern is dependent on the ability of the Group to raise funds through monetization of its film/ music library rights as well as its noncore assets, mobilization of additional funds through recovery of dues from its group entities and other strategic initiatives.



8. Emphasis of Matter

Attention is drawn to following notes to the statement:

- a) Note 5 to the Statement with respect to the value of inventories which includes accumulated film rights costs amounting to Rs. 850 Lakhs as on June 30, 2023, we have relied on the management for realizable value of such inventory, being a technical matter.

- b) Note 6 to the Statement with respect to content advances given for film projects having aggregate value of Rs. 15,012 Lakhs (net of provision) as on June 30, 2023, the management backed by valuation carried out by an independent valuer as on March 31, 2023 is of the opinion that adequate provision has been created in the books of accounts with respect to such advances and that the balance amount is recoverable and no further provision is required. This being a technical matter has been relied upon by us.

Our conclusion on the Statement is not modified in respect of these matters.

Other Matters

9. We did not review the interim financial results of two subsidiaries included in the unaudited consolidated financial results, whose interim financial results reflect total revenues of Rs. Nil, total net profit after tax of Rs. 797 Lakhs and total comprehensive income of Rs. 729 Lakhs for the quarter ended June 30, 2023 as considered in the unaudited consolidated financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

One of the subsidiary is located outside India whose financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial results of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our report in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.



HARIBHAKTI & CO. LLP

Chartered Accountants

The unaudited consolidated financial results includes the interim financial result of one subsidiary which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. Nil, total net loss after tax of Rs.0.26 Lakhs and total comprehensive loss of Rs.0.26 Lakhs for the quarter ended June 30, 2023, as considered in the unaudited consolidated financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

10. The comparative unaudited consolidated Ind AS financial results of the Company for the corresponding quarter ended June 30, 2022 were reviewed by the predecessor auditor, who expressed an qualified review conclusion on this financial result vide report dated August 12, 2022.

Our conclusion on the Statement is not modified in respect of these matters.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Sumant Sakhardande

Partner

Membership No: 034828

UDIN: 23034828BGWUFT7134

Place: Mumbai

Date: August 11, 2023

