

# Walker Chandiook & Co LLP

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## Review Report

### To the Board of Directors of Eros International Media Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results (“the Statement”) of Eros International Media Limited (“the Company”) and its subsidiaries, (collectively referred to as “the Group”) for the quarter ended 31 December 2015 and the year to date results for the period 1 April 2015 to 31 December 2015. This Statement is the responsibility of the Company’s Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (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 company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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4. We did not review the interim financial results of twelve subsidiaries and step down subsidiaries, included in the Statement, whose interim financial results reflect total revenues (after eliminating intra-group transactions) of ₹ 4,441 lakhs and ₹ 31,846 lakhs for the quarter and nine months ended 31 December 2015, respectively, net profit after tax and prior period items (after eliminating intra-group transactions) of ₹ 12 lakhs and ₹ 8,521 lakhs for the quarter and nine months ended 31 December 2015. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us and our opinion in respect thereof is based solely on the review reports of such other auditors. Our review report is not qualified in respect of this matter.

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP

*(formerly Walker, Chandiook & Co)*

Chartered Accountants

Firm Registration No: 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No. 108840

Place: Mumbai

Date: 9 February 2016



## Eros International Media Limited

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

### UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2015

(₹ in lacs, except per share data)

Particulars	Quarter ended 31 December 2015 (Unaudited)	Quarter ended 30 September 2015 (Unaudited)	Quarter ended 31 December 2014 (Unaudited)	Nine months ended 31 December 2015 (Unaudited)	Nine months ended 31 December 2014 (Unaudited)	Year ended 31 March 2015 (Audited)
<b>1 Income from operations</b>						
Net sales/income from operations	33,538	50,491	49,073	131,277	97,212	142,117
<b>Total income from operations (net)</b>	<b>33,538</b>	<b>50,491</b>	<b>49,073</b>	<b>131,277</b>	<b>97,212</b>	<b>142,117</b>
<b>2 Expenses</b>						
a) Purchases/operating expenses	23,207	34,072	39,534	80,298	71,182	107,285
b) Changes in inventories of finished goods	(197)	44	(8,352)	13,041	(8,484)	(13,290)
c) Employee benefits expense	1,412	1,429	959	3,926	2,416	3,590
d) Depreciation expense	204	172	180	505	503	689
e) Other expenses	2,433	1,380	2,213	4,818	4,060	2,674
<b>Total expenses</b>	<b>27,059</b>	<b>37,097</b>	<b>34,534</b>	<b>102,588</b>	<b>69,677</b>	<b>107,948</b>
<b>3 Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>6,479</b>	<b>13,394</b>	<b>14,539</b>	<b>28,689</b>	<b>27,535</b>	<b>34,169</b>
4 Other income	286	507	124	1,604	332	1,986
<b>5 Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>6,765</b>	<b>13,901</b>	<b>14,663</b>	<b>30,293</b>	<b>27,867</b>	<b>36,155</b>
6 Finance costs (net)	793	1,047	974	2,685	3,003	3,840
<b>7 Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>5,972</b>	<b>12,854</b>	<b>13,689</b>	<b>27,608</b>	<b>24,864</b>	<b>32,315</b>
8 Exceptional items	-	-	-	-	-	-
<b>9 Profit from ordinary activities before tax (7-8)</b>	<b>5,972</b>	<b>12,854</b>	<b>13,689</b>	<b>27,608</b>	<b>24,864</b>	<b>32,315</b>
10 Tax expense	2,210	3,747	2,757	8,404	5,334	7,615
<b>11 Profit from ordinary activities after tax (9-10)</b>	<b>3,762</b>	<b>9,107</b>	<b>10,932</b>	<b>19,204</b>	<b>19,530</b>	<b>24,700</b>
12 Extraordinary items	-	-	-	-	-	-
<b>13 Net profit for the period (11-12)</b>	<b>3,762</b>	<b>9,107</b>	<b>10,932</b>	<b>19,204</b>	<b>19,530</b>	<b>24,700</b>
14 Share of profit / (loss) of associates	-	-	-	-	-	-
15 Minority interest	(15)	77	(2)	1,061	(2)	(6)
<b>16 Net profit after taxes, minority interest and share of profit / (loss) of associates</b>	<b>3,777</b>	<b>9,030</b>	<b>10,934</b>	<b>18,143</b>	<b>19,532</b>	<b>24,706</b>
17 Paid up equity share capital (face value of ₹ 10 each)	9,356	9,345	9,251	9,356	9,251	9,250
18 Reserves excluding revaluation reserve						138,971
19 a) Earnings per share (EPS) (before extraordinary items) (of ₹. 10 each) (not annualised)						
Basic	4.04	9.69	11.83	19.50	21.18	26.78
Diluted	3.99	9.57	11.70	19.27	20.95	26.43
19 b) Earnings per share (EPS) (after extraordinary items) (of ₹. 10 each) (not annualised)						
Basic	4.04	9.69	11.83	19.50	21.18	26.78
Diluted	3.99	9.57	11.70	19.27	20.95	26.43

#### Notes :

- The accompanying statement of unaudited consolidated financial results has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 9 February 2016 and has been subjected to a limited review by the statutory auditors of Eros International Media Limited (the 'Company').
- The financial results for the quarter and nine months ended 31 December 2015 have been prepared on the basis of accounting policies followed in the preparation of annual financial statements for the year ended 31 March 2015. The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date on which investment in the subsidiary is made, is recognised as 'Goodwill'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve' in the consolidated financial statements. Goodwill is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. Goodwill impairment test is performed at the level of cash-generating unit or groups of cash-generating units which represent the lowest level at which goodwill is monitored for internal management purposes.
- Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the statutory auditor of the Company have carried out Limited Review of the Consolidated Financial Result for the Quarter ended 31 December 2015.
- The consolidated financial results have been prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in the Accounting Standard 21, 'Consolidated financial statements', issued by the Institute of Chartered Accountants of India.
- The Group operates on a single reportable business 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. Further, the Group does not have distinguishable geographic components as risks and rewards in various geographies are largely similar. Accordingly, there is no reportable geographical segment within the meaning of Accounting standard 17 - 'Segment reporting'.
- Operating expenses include all direct costs such as film rights related cost, printing and publicity costs as well as marketing and other related costs.
- Status of Investor complaints received by the Company (Nos): Opening as at 1 October 2015 (Nil), received during the quarter (Nil), disposed during the quarter (Nil), remaining unresolved as at 31 December 2015 (Nil).
- The Group'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.
- On 25 February, 2015, the Company entered into a share purchase agreement to acquire a controlling stake in Universal Power System Private Limited, trading by the name Techzone ("UPSPL" or "Techzone"). On 20 July, 2015, the Company received approval from Foreign Investment Promotion Board ("FIPB") to acquire Techzone. On 1 August 2015, the Company allotted 900,970 equity shares to the shareholders of UPSPL, at a premium of ₹ 378.47 per share (face value of ₹ 10 per share) in exchange for the entire shareholding of UPSPL. The accompanying Statement includes the results of operations of Techzone with effect from 1 August 2015. As per Accounting Standard 21, 'Consolidated financial statements', the excess of cost of investment over the equity of UPSPL being ₹ 1,827 lacs has been recognized as goodwill.
- Previous period figures have been regrouped or reclassified, wherever necessary.

Place: Mumbai  
Date: 9 February 2016

**EROS INTERNATIONAL MEDIA LIMITED**

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*Sunil Lulla*

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Executive Vice Chairman and Managing Director