

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

Consolidated unaudited financial results for the quarter and nine months ended 31 December 2021



Particulars	Quarter ended on			Nine months ended		Year ended on
	31-Dec-21	31-Dec-20	30-Sep-21	31-Dec-21	31-Dec-20	31-Mar-21
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income						
1 Net sales/income from operations	22,185	6,009	6,351	30,501	15,442	26,197
2 Other income	1,121	2,127	4,156	7,315	9,257	12,676
Total income [1+2]	23,306	8,136	10,507	37,816	24,699	38,873
3 Expenses						
Operational Costs including content amortization	15,893	5,613	7,848	26,976	15,360	25,903
Employee benefits expense	1,610	1,554	1,857	5,378	3,642	4,992
Finance costs (net)	1,256	2,833	612	4,314	8,168	10,587
Depreciation and amortization expense	180	267	184	547	771	1,031
Other expenses	1,829	799	1,517	3,933	3,204	11,360
Total expenses	20,768	11,066	12,018	41,148	31,145	53,873
4 Profit/(loss) before exceptional item and tax [1+2-3]	2,538	(2,930)	(1,511)	(3,332)	(6,446)	(15,000)
5 Exceptional (loss)/ gain (Refer note 7)	-	-	-	-	-	(2,301)
6 Profit/(loss) before tax [4-5]	2,538	(2,930)	(1,511)	(3,332)	(6,446)	(17,301)
7 Tax expense						
a) Current tax including short/ (excess) provision of earlier periods	(21)	-	(28)	(25)	-	1,304
b) Deferred tax expenses/(income)	(146)	(161)	(181)	(424)	(401)	(519)
Total tax expenses/(credit) net	(167)	(161)	(209)	(449)	(401)	785
8 Profit/(loss) for the period/year [6-7]	2,705	(2,769)	(1,302)	(2,883)	(6,046)	(18,086)
Attributable to:						
Equity holders of Eros International Media Limited	3,376	(2,753)	(1,299)	(2,010)	(5,840)	(18,026)
Non-Controlling Interests	(671)	(16)	(3)	(873)	(205)	(60)
9 Other Comprehensive Income/(loss)						
a) Items that will not be reclassified to profit or loss- net of taxes	3	(32)	9	9	(34)	(13)
b) Items that will be reclassified subsequently to profit or loss	382	(687)	(163)	1,604	(2,918)	(2,812)
Total other comprehensive Income/(loss) for the period	385	(719)	(154)	1,613	(2,952)	(2,825)
10 Total comprehensive Income for the period/year [8-9]	3,090	(3,488)	(1,456)	(1,270)	(8,997)	(20,911)
Attributable to:						
Equity holders of Eros International Media Limited	3,761	(3,472)	(1,453)	(397)	(8,792)	(20,851)
Non-Controlling Interests	(671)	(16)	(3)	(873)	(205)	(60)
11 Paid up equity share capital (Face value of ₹ 10 each)	9,588	9,581	9,588	9,588	9,581	9,586
12 Reserve excluding revaluation reserve						94,409
13 Earnings per share (EPS) (not annualised)						
Basic (in ₹)	2.82	(2.90)	(1.36)	(3.01)	(6.32)	(18.90)
Diluted (in ₹)	2.82	(2.90)	(1.36)	(3.01)	(6.32)	(18.90)

Notes :

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 11 February, 2022.
- 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.
- One Time Restructuring (OTR) under RBI's Resolution Framework for Covid-19 related stress as per RBI circular dated 6 August 2020 and Resolution Framework for Covid-19 related stress – Financial Parameters dated 7 September 2020 were invoked by the parent company and the consortium bankers on 24 December 2020. The said resolution plan was duly approved and implemented by the company's bankers on 22 June 2021 with effect from the cut-off date as 1 January 2021 and accordingly, the outstanding debts liabilities were restructured and the impact of the said restructuring has been taken in the financial result for the nine months ended 31 December 2021 based on the OTR framework agreement, bank sanction letters and other related documents.
- The Group has incurred loss amounting ₹2,883 lakhs for nine months ended 31 December 2021 and ₹18,086 lakhs (after considering the impact of an impairment loss amounting ₹2,301 lakhs) in previous financial year. As at 31 December 2021, the current liabilities of the Company exceed current assets by ₹37,266 lakhs. The economic uncertainty created by the COVID-19 resulted in significant business disruptions for film distributor and broadcasting companies till December 2021. Material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern. The Group has taken various steps aimed at augmenting liquidity including restructuring of the borrowing facilities, conserving cash including various cost saving initiatives, and maximizing revenue through content monetization on new partner platforms including monetizing of the film/music library by way of long term contracts. The Group has considered the impact of these uncertainties and steps and factored them into their financial forecasts including the realization of trade receivable dues from holding company. For the said reason, Management continues to adopt the going concern basis in preparing the financial results.
- Since early March 2021, India has witnessed a second wave of COVID-19 with sudden rise in COVID-19 cases across India. This led to imposing lockdown like restrictions across the country and impacted the economic activity including the entire media and entertainment industry. India has also witnessed third wave of COVID 19 since January 2022. The business activities of the Group were also affected for the above periods/year. The Group's management has done an assessment of the situation, including the liquidity position, the recoverability and carrying value of all its investments, other assets and liabilities and concluded that there were no material adjustments required as on December 31, 2021. As a result of the growing uncertainties with respect to COVID-19, the impact of this pandemic may be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor any material changes to future economic condition.
- During the quarter and nine month ended 31 December 2021, Group has entered into the agreement with two related parties (fellow subsidiaries of holding Company) for a value exceeding 10% of the consolidated revenue of the previous year. The Company would be obtaining the approval of shareholders (postal ballot) as required by Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations").
- As at 31 December, 2021, Group has receivables from Holding Company Eros Worldwide FZ LLC ("EWW") comprising of trade receivables of ₹34,017 lakhs and loan of ₹85,191 lakhs and trade receivable from EWW fellow subsidiaries amounting to ₹ 16,409 lakhs. The Ultimate Parent Company has entered into negotiations with a third party for the sale of one of its subsidiary company, which is currently in advanced stage, resulting in further inflows to the Group. Management is confident of recovery of the above dues from the related party in the due course and does not require any provision.
- Exceptional Items for last financial year comprises of impairment charge of ₹ 2,301 lakhs on film rights in subsidiary company arising on the annual impairment assessment following the requirements of Ind AS 36 'Impairment of Assets'.
- The Group's financial results for any year fluctuate due to film release schedules which take into account holidays and festivals in India and elsewhere, competitor film releases and sporting events.
- The figures for the previous quarters/year have been regrouped/rearranged wherever necessary to make them comparative with the current quarter's figures.



Place: Mumbai
Date : 11 February 2022

For and on behalf of Board of Directors

 Sunil Lulla
 Executive Vice Chairman and Managing Director
 DIN: 00243191

EROS INTERNATIONAL MEDIA LIMITED

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Independent Auditors Review Report

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 ("Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the Nine month ended December 31, 2021 and year to date from April 01, 2021 to December 31, 2021 ("the Statement") attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations").
2. The statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules thereafter and other accounting principles generally accepted in India. Our responsibility is to express a conclusion 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 misstatements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, to the extent applicable.



4. Basis for Qualified Conclusion

- a) With reference to Note 7 of the consolidated financial results, the Company has receivables from Holding Company Eros Worldwide FZ LLC ("EWW") comprising of trade receivable of Rs. 34,017 Lakhs and loan of Rs. 85,191 Lakhs which are overdue. As per the management accounts for six months ended September 30, 2021 provided to us, the net worth of the EWW is eroded and has incurred losses during the period. Further, EWW has made significant write down in the carrying amount of film content. Considering the financial position of EWW as per management accounts, we are unable to comment on the extent of the recoverability of the carrying value of above receivables due from EWW and the consequential impact on the losses for quarter/nine months.
- b) During the quarter, Company has recognized revenue for sale of remake rights of certain movies to related parties who are fellow subsidiaries of holding Company i.e. EWW aggregating to Rs.9,163 Lakhs on deferred payment basis. As we are unable to assessed the collectability of dues from holding company as stated in para (a) above, the collectability of the revenue so recognized during the quarter is not ascertainable. Accordingly, it's impact on the revenue for quarter and nine months ended December 31, 2021 and Total Comprehensive Income for the period is not ascertainable.
5. Based on our review conducted as above, subject to the effects of matter described in paragraph 4 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 applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles general has not disclosed the information required to be disclosed in terms of Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

We draw attention to Note 5 of the consolidated financial results, which describes the Group management evaluation of Covid 19 impact on the future business operations and future cash flows of the Group and its consequential effects on the carrying value of assets as on December 31, 2021. In view of uncertain economic conditions, the Group's management evaluation of impact on subsequent periods is highly dependent upon conditions as they evolve.

Our conclusion on the Statements is not modified in respect of this matter.



7. Material Uncertainty Related to Going Concern

With reference to Note 4 of the consolidated financial results, the economic uncertainty created by the novel coronavirus has resulted in significant business disruptions for film distributor and broadcasting companies. Group has incurred loss during the nine month ended December 31, 2021 and its current liabilities exceed the current assets as on that date. These conditions, along with other matter as set forth in the aforesaid note, indicate the existence of a material uncertainty with respect to the Group's assessment to continue as a going concern and such assumption depends on the Group's monetizing of the film/music library by way of long term contracts and recovery of the dues from holding company.

Our conclusion is not modified in respect of this matter.

8. Other Matters

- a) During the quarter, the Holding Company has entered into the agreement with two related parties (fellow subsidiaries of holding Company) for a value exceeding 10% of the consolidated revenue of the previous year. The Company's management has represented to us, that Company would be obtaining the approval of shareholders by way of postal ballot as required by clause 23 of the Listing Regulations.
- b) We did not review the interim financial results and other financial information in respect of three subsidiaries whose interim financial results/information reflects total revenues of Rs. 13,200 Lakhs and Rs. 19,680 Lakhs, total net profit/ (loss) after tax of Rs. (521) Lakhs and Rs. 668 Lakhs and total comprehensive income/ (loss) of Rs. (132) Lakhs and Rs. 2,295 Lakhs for the quarter ended 31st December, 2021 and for the period from 1st April, 2021 to 31st December, 2021, respectively. These interim financial results and other financial information have been reviewed by other auditors, whose reports have been furnished to us by the management of the Company and our conclusion in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors.

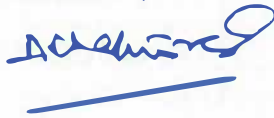
Our conclusion is not modified in respect of these above matters.



9. The Statement includes the results of the following entities:-

Name of the Entity	Relationship
Eros International Films Private Limited	Subsidiary
Eyeqube Studios Private Limited	Subsidiary
EM Publishing Private Limited	Subsidiary
Eros Animation Private Limited	Subsidiary
ErosNow Private Limited (Formerly known as Universal Power Systems Private Limited)	Subsidiary
Colour Yellow Productions Private Limited	Subsidiary
Big Screen Entertainment Private Limited	Subsidiary
Copsale Limited	Subsidiary
Digicine PTE Limited	Subsidiary
Eros International Distribution LLP	Subsidiary

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration no. 101720W/W100355



Amit Chaturvedi
Partner
Membership No.: 103141
UDIN:- 22103141ABKKHW6032



Place: Mumbai
Date: February 11, 2022