



Eros International Media Limited

CIN: L99999MH1994PLC080502

Regd Off: 901/902, Supreme Chambers, Off Veera Desai Road, Andheri (West), Mumbai - 400053

STANDALONE 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	586	38,459	2,074	42,958
II Other income	329	(631)	1,746	2,184
III Total income (I+II)	915	37,828	3,820	45,142
Expenses				
IV a) Film right costs including amortization costs	1,294	26,751	1,865	32,395
b) Changes in inventories of film rights	-	(10)	(9)	(9)
c) Employee benefits expense	812	689	712	2,752
d) Finance costs (net)	1,062	1,950	1,506	6,996
e) Depreciation and amortization expense	41	72	54	229
f) Other expenses	5,844	9,208	2,508	14,110
Total expenses (IV)	9,053	38,660	6,636	56,473
V Loss before tax (III-IV)	(8,138)	(832)	(2,816)	(11,331)
VI Tax expense				
a) Current tax	-	-	-	-
b) Deferred Tax	-	-	-	-
Total tax expenses/(credit) net	-	-	-	-
VII Loss for the period (V-VI)	(8,138)	(832)	(2,816)	(11,331)
VIII Other comprehensive income/(loss): not to be reclassified- net of taxes	-	26	-	17
IX Total comprehensive income/(loss) for the period	(8,138)	(806)	(2,816)	(11,314)
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	-	-	-	573
XII Earnings per share (EPS) (of ₹ 10 each) (not annualised)				
Basic	(8.49)	(0.85)	(2.94)	(11.81)
Diluted	(8.49)	(0.85)	(2.94)	(11.81)

Notes:

- The standalone 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 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 yearly financial results presented.
- The 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 25,870 lakhs in FWW for which the Company has filed an application with RRI through Authorised Dealer for setting-off trade payables against trade receivables. After considering the setoff of trade payables, the Company would have net trade receivables of Rs 16,564 lakhs from FWW. Apart from FWW, the 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 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 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. 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, 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 company has incurred a net loss of Rs 8,138 lakhs during the period ended on the same date. Additionally, the company has defaulted on payments of statutory dues on certain occasions. These circumstances give rise to material uncertainties that could significantly affect the company's ability to continue operating as a going concern. To address these challenges, the company 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 company 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 850 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 20,711 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. 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 Company (<https://www.bseindia.com/sml-data/compliling/AttachHis/52c0551e-19bd-4819-b038-003b0ede199e.pdf>). The 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.

Place: Mumbai
Date: 11 August, 2023



EROS INTERNATIONAL MEDIA LIMITED



For and on behalf of Board of Directors

Pradeep Dwivedi
DIN: 07780146
Executive Director and Chief Executive Officer

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

Tel.: +91-22-6602 1500 • Fax: +91-22-6602 1540 • E-mail: eros@erosintl.com • www.erosmediaworld.com

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

To the Board of Directors

Eros International Media Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Eros International Media Limited ("the Company") for the quarter ended June 30, 2023 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company'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" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder (hereinafter referred to as "the said Indian Accounting Standard") 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 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 the company 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.
4. **Qualified Conclusion**
 - a) As stated in Note 3 to the Statement, the 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 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 Company 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 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 Company.

The opinion expressed by us on the standalone financial statements of the Company 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 4 (a) and (b) above.



5. Based on our review conducted as stated in paragraph 3 above and subject to the possible effects of the matters 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 the said 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.

6. Material uncertainty relating to Going Concern

We draw attention to Note 4 to the Statement which indicates that the Company has incurred a net loss of Rs. 8,138 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 Company's ability to continue as a going concern. The assumption of going concern is dependent on the ability of the Company 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.

7. 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. 20,711 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.



HARIBHAKTI & CO. LLP

Chartered Accountants

Other Matter

8. The comparative unaudited standalone 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 this matter.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Sumant Sakhardande

Partner

Membership No: 034828

UDIN: 23034828BGWUFS5297

Place: Mumbai

August 11, 2023

