



EROS INTERNATIONAL MEDIA LIMITED

Policy Name	Determination of Material Subsidiary Policy
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Policy Owner	Designation: Group Chief Financial Officer (India) Name: Mr. Farokh P. Gandhi

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1. Preamble

In view to ensure compliance with recent regulatory developments regarding material subsidiaries, the Board of Directors (the “Board”) of Eros International Media Limited (the “Company”) has adopted this Policy upon the recommendation of the Audit Committee and the said Policy includes process of Determination of Material Subsidiary (“Policy”) in compliance with the regulatory requirements. Amendments to this Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee from time to time.

2. Policy Objectives

This policy is prepared in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (“Listing Regulations”) with the Stock Exchanges. This policy will be applicable to the Company and it shall lay down the criteria towards ascertaining Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

3. Applicability of Regulations

Sr. No.	Regulations	Section/Clause
1	SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015	Regulation 16 (1)(c)

* Note: Refer Compliance Annexure for detailed sections, clauses and rules.

4. Definitions

4.1 “**Act**” means the Companies Act, 2013 and the rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

4.2 “**Audit Committee or Committee**” means the Committee of Board constituted from time to time as per Listing Regulations and Section 177 of the Companies Act, 2013 and as amended from time to time.

4.3 “**Board of Directors**” or “**Board**”, in relation to a Company, means the collective body of the directors of the company and as amended from time to time.

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- 4.4 “**Company**” means Eros International Media Limited.
- 4.5 “**Holding Company**” as defined under clause 2(46) of the Companies Act, 2013 and the Rules made there under.
- 4.6 “**Independent Director**” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under section 149 of Companies Act, 2013 and Listing Regulations.
- 4.7 “**Material Subsidiary**” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- 4.8 “**Policy**” means Policy on determination of Material Subsidiary.
- 4.9 “**Significant Transaction or Arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding accounting year.
- 4.10 “**Subsidiary**” shall be as defined under section 2(87) of the Companies Act, 2013 and the Rules made there under.

5. Guiding Principles

- To ensure transparency and accuracy of disclosures related to material subsidiaries.
- To regulate the investments of the Company in material subsidiaries and oversee the functioning of such subsidiaries.

6. Policy

6.1. Determining Material Subsidiary(ies)

A subsidiary shall be a Material Subsidiary, if the following condition is satisfied:

If the income or net worth of the subsidiary exceeds twenty percent of the consolidated income or net worth of the listed Company and its subsidiaries in the immediately preceding accounting year.

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Where a listed holding company has a listed subsidiary which is itself a holding company, the above provisions shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

6.2. Requirements for/from the Material Subsidiary(ies)

6.2.1 At least one independent director on the Board of Directors of the listed holding company shall be a director on the Board of Directors of an unlisted material, incorporated in India.

6.2.2 The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.

6.2.3 The minutes of the meetings of the Board of Directors of the unlisted subsidiary company shall be placed at the meeting of the Board of Directors of listed holding company.

6.2.4 The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

Explanation.- For the purpose of this regulation, the term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding accounting year.

6.2.5 A Listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

6.2.6 The Company, without the prior approval of the members by Special Resolution, shall not:

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- a. Sell, dispose and lease the assets of the material subsidiary amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year.

Except in the cases where such divestment / sale / disposal / lease is made under a scheme of arrangement duly approved by a Court/Tribunal."

6.3. Responsibility of Chief Financial Officer:

The Chief Financial Officer will be responsible to maintain an updated database of information pertaining to Material Subsidiaries. The database will be updated and reviewed at least once a year jointly by the Chief Financial Officer and Executive Director. The list of Material Subsidiaries shall be approved by the Board.

7. Disclosure

The Company shall disclose this Policy on its website and a web link thereto shall be provided in the Annual Report.

8. Review of Policy

This Policy shall be reviewed by Audit Committee and Board as and when required.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

9. Policy Ownership

The policy awareness and adherence ownership will rest with the Chief Financial Officer with oversight by the Executive Director.

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10. Deviation of the Policy

The Executive Directors and Chief Financial Officer of the Company ('Designated Persons') are severally authorised to deviate from any clause and/ or process of the Policy. The Designated Persons shall ensure that such deviation should not be inconsistent with the law. A detailed report of such deviation, if any, shall be placed with the Board of Directors at next meeting.

11. Annexure

Compliance Annexure



Compliance
Annexure - Material_!
