



EROS INTERNATIONAL MEDIA LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

[Pursuant to Regulation 16(1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

EROS INTERNATIONAL MEDIA LIMITED

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1. INTRODUCTION

1.1 Preamble

With the view to ensure compliance with the recent regulatory developments regarding material subsidiaries, the Board of Directors (the "Board") of Eros Media International Limited (the "Company") has adopted this Policy for Determining Material Subsidiaries (this "Policy") upon the recommendation of the Audit Committee. This Policy includes the process of Determination of Material Subsidiaries in compliance with the regulatory requirements. Amendments to this Policy shall be considered by the Board based on the recommendations made by the Audit Committee from time to time and shall be in accordance to and in compliance with the provisions of the Companies Act, 2013 (the "Act"), and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as may be amended from time to time.

1.2 Objective

This Policy is adopted to determine the "Material Subsidiary (ies) of the Company" and to provide the Governance Framework for such Subsidiary(ies). In determining whether or not a subsidiary of the Company is or has become a Material Subsidiary, the Company shall follow this Policy and the applicable provisions of the Listing Regulations. Where there is a conflict between this Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail in making such determination.

2. DEFINITIONS

- 2.1 "**Act**" means the Companies Act, 2013, to the extent notified and the Companies Act, 1956, to the extent in force and rules made there under as amended from time to time.
- 2.2 "**Audit Committee**" means Audit Committee constituted by the Board of Directors of the Company under the provisions of Listing Regulations and the Act, as may be amended from time to time.
- 2.3 "**Independent Director**" shall mean an Independent Director of the Company who satisfies the criteria of Independence under the Act, & Listing Regulations, as may be amended from time to time.
- 2.4 "**Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended and modified from time to time.
- 2.5 "**Listed Company**" or "the Company" means Eros International Media Limited.
- 2.6 "**Material Subsidiary**" shall have the meaning as defined in Regulation 16(1)(c) of the Listing Regulations, pursuant to which a material subsidiary means a subsidiary, whose income or net worth exceeds 10% (ten percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.



However, for the purpose of Regulation 24(1) of Listing Regulations the term “Material Subsidiary” shall mean unlisted subsidiary, whose income or net worth exceeds 20% (twenty per cent) of the consolidated income or net worth respectively, of the listed company and its subsidiaries in the immediately preceding accounting year.

2.7 “Significant Transaction or Arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (ten per cent) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

2.8 “Subsidiary Company” or “Subsidiary” shall have the same meaning as defined in Section 2(87) of the Act.

Any other term not defined herein shall have the same meaning as defined in the Act /Listing Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

3. POLICY

3.1 The Audit Committee shall review the financial statements of all Subsidiary Companies and in particular, the investments made by the Unlisted Subsidiary Companies (including the unlisted Material Subsidiary(ies)).

3.2 The minutes of the Board Meetings of the Unlisted Subsidiary Companies (including the unlisted Material Subsidiary(ies)) shall be placed at the Board Meeting of the Company. The management of the unlisted Material Subsidiary(ies) shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary companies.

3.3 The Company shall disclose all events or information to the Stock Exchanges as covered under Regulation 30 of Listing Regulations with respect to Material Subsidiaries.

3.4 The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% (fifty per cent) 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 or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within 1 (one) day of the resolution plan being approved.

3.5 Selling, disposing and leasing of assets (other than licensing of film rights) amounting to more than 20% (twenty per cent) of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the Company by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within 1 (one) day of the resolution plan being approved.



3.6 At least 1 (one) Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of an unlisted Material Subsidiary(ies), whether incorporated in India or not.

4. SECRETARIAL AUDIT

The material unlisted subsidiary of the Company, incorporated in India shall undertake Secretarial Audit, as per the Companies Act, and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified with effect from the year ended March 31, 2019.

5. DISCLOSURES

In terms of compliance of relevant provisions of the Act and Listing Regulations, this Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.

6. APPLICABILITY

This Policy has been revised to incorporate the amendments in the Listing Regulations and shall be effective from April 1, 2019. In case there are any subsequent modification(s) / amendment(s) / notification(s) / circular(s) to Listing Regulations or the Act and Rules made thereunder, it shall apply to this Policy automatically and this Policy shall stand amended automatically and in the event of any conflict between this Policy and the applicable laws, the applicable laws shall prevail.
