



## EROS INTERNATIONAL MEDIA LIMITED

### POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION

*[Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

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#### **EROS INTERNATIONAL MEDIA LIMITED**

**CIN:** L99999MH1994PLC080502

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## I. LEGAL FRAMEWORK:

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of Eros International Media Limited, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined).

This Policy has been formulated in accordance with clause (ii) of sub-regulation (4) of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to disclosure of events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved and adopted the "Policy for Determination of Materiality of Events or Information".

The Board shall review, and if found required, may amend this Policy from time to time.

## II. OBJECTIVE

The objective of this Policy is to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to enable them to take well informed investment decisions with regard to the securities of the Company.

## III. INTRODUCTION

- a) **"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.
- b) **"Board of Directors" or "Board"** means the Board of Directors of the Company.
- c) **"Company"** means Eros International Media Limited
- d) **"Key Managerial Personnel"** means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.
- e) **"Listing Regulations"** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- f) **"Policy"** means policy Determination of Materiality of Events or Information, as amended from time to time.
- g) **"SEBI"** means the Securities and Exchange Board of India.
- h) **"Rules"** means the rules made under the Companies Act, 2013.



- i) **“Stock Exchange(s)”** means BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), where the equity shares of the Company are listed.

#### **IV. DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION**

The materiality of all the events/ information related to the Company’s business, operations, and investments will be determined on case to case basis, depending upon the facts and circumstances pertaining to such events.

Further, all such events shall be classified in following two categories for application of guidelines for materiality:

##### **CATEGORY 1: EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS**

The Company shall disclose all such events, pertaining to *itself or its material subsidiary(ies)*, which are specified in Para A of Part A of Schedule III of the Listing Regulations (as applicable from time to time) without any application of the guidelines for materiality, as specified in sub-regulation (2) of Regulation 30 of the Listing Regulations.

The list of such events is enclosed as **Annexure A**.

The Disclosures of events as mentioned above shall be made to the Stock Exchange(s) as soon as reasonably possible and within 24 hours from the occurrence of the event or information, or as per the applicable provisions of the applicable laws.

Further, the events listed under sub-clause (4) to the Annexure A, will be disclosed wherever applicable within 30 minutes of the conclusion of the board meeting.

Further, in a situation, the disclosure is made after 24 hours of occurrence of the event or information, alongwith the disclosure, the Company shall provide an explanation for the delay.

##### **CATEGORY 2: EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY**

The Company shall disclose all such material events pertaining to *itself or its material subsidiary(ies)*, specified in Para B of Part A of Schedule III of the Listing Regulations subject to application of guidelines for materiality.

The list of such events is enclosed as **Annexure B**.

*The list of events outlined in Annexures A & B are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person should exercise his/her own judgement while assessing the materiality of events associated with the Company.*



## V. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION IN RESPECT OF ABOVE MENTIONED ITEMS:

- i. **Quantitative criteria** would be calculated based on audited financial statements of the last audited financial year and would mean event/ information where the value involved or the impact: (a) exceeds 10 per cent of the consolidated gross turnover, or (b) exceeds 10 per cent of the consolidated net worth; whichever is lower.
- ii. **Qualitative criteria** would mean an event/ information:
  - (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
  - (b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; or
  - (c) any other event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event / information is considered material.
- iii. **In case of Proprietary or Confidential Information:** Care should be taken if the information is Proprietary or Confidential. Information shall be regarded as proprietary to the Company, if disclosing it publicly would undermine its competitive position. Information shall be regarded as Confidential if there are obligations to other counterparty relationships binding the Company to confidentiality.

## VI. ANY OTHER INFORMATION / EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY

The Company shall disclose major developments that are likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

Also, in any adverse scenario that may prevent/ impact filing of compliances under the Listing Regulations, e.g. natural calamity, seizure/ capture of books/ computers by regulatory authorities, accidental damage on account of strikes/lockouts, where the Board of Directors of the Company are unable to approve compliances etc., shall be disclosed to the stock exchange(s), as soon as practically possible.

## VII. DETERMINATION OF OCCURRENCE OF AN EVENT / INFORMATION

- A. For the items mentioned in Annexure A, following shall be deemed to be the occurrence:
  - Items for which Board/ Shareholders' approvals are required, upon the conclusion of the respective Meetings;



- For items, that do not require any Board/ Shareholders' approvals, upon the same coming to the knowledge of KMPs/ Authorized Person;

B. For the items mentioned in Annexure B, the same shall be deemed to have occurred when the same comes to the KMPs'/ Authorized Persons' knowledge.

#### **VIII. AUTHORITY TO KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE**

The following KMPs are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) (**"Authorized Person(s)"**):

- a. Managing Director
- b. Chief Executive Officer
- c. Chief Financial Officer

#### **IX. Process of determination & disclosure of material event or information:**

- Whomsoever gets to know of any such event or information, including events mentioned in Clause IV above, shall forthwith inform the same to the KMPs(s)/ Authorized person, along with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchange(s);
- The KMPs will then ascertain the materiality of such event(s) or information based on the above guidelines.
- In case, the relevant Authorized Person perceives any doubt regarding materiality, he/she may consult appropriate counsel or guidance, as and when necessary, from internal or external stakeholders, as they deem fit.
- On completion of the above assessment, the KMPs shall if required, make appropriate disclosure to the stock exchange(s).

#### **X. AMENDMENTS**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force. In case there are any modification(s) / amendment(s) / notification(s) / circular(s) to Listing Regulation or the Companies Act, 2013 and Rules made thereunder, it shall apply to this Policy automatically and this Policy shall stand amended automatically.



## **XI. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Act or Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations / Act or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

## **XII. DISSEMINATION OF POLICY**

This Policy shall be hosted on the website of the Company.

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## Annexure A

### EVENTS WHICH ARE DEEMED MATERIAL WITHOUT APPLYING ANY MATERIALITY CRITERIA:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/ restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring;
2. Issuance or forfeiture of securities, split or consolidation of shares, buy back of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities, etc.;
3. Revision in rating(s);
4. Outcome of meetings of the Board of Directors held to consider the following:
  - a) Dividends and/ or cash bonuses recommended or declared or the decision to pass any dividend and the date on which the dividend shall be paid/ dispatched;
  - b) Any cancellation of dividend with reasons thereof;
  - c) Decision on buy-back securities;
  - d) Decision with respect to any proposed fund raising to be undertaken;
  - e) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/ dispatched;
  - f) Reissue of forfeited shares or securities; or the Issue of shares/ securities held in reserve for future issue or creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
  - g) Short particulars of any other alteration of capital, including calls;
  - h) Financial results;
  - i) Decision on voluntary delisting by the Company from the Stock Exchange(s);  
Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.
5. Agreements [viz. shareholder agreement(s), joint venture agreement(s), family settlement agreements, (to the extent that it impacts the management and control of the Company), agreement(s)/ treaty (ies)/ contract(s) with media companies] which are binding and not in the normal course of business, revision(s) or amendment(s) and termination(s) thereof;
6. Frauds/ defaults by the Promoter or Key Managerial Personnel (KMP) or by the Company or arrest of any KMP or promoter;
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer;
  - 7A. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.
  - 7B. Resignation of Independent Director including reasons for resignation: In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:
    - i. The letter of resignation along with detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the Company to the stock exchanges.
    - ia. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.



- ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there are no other material reasons other than those provided.
  - iii. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the detailed reasons as specified in sub-clause (i) and (ii) above.
8. Appointment/ discontinuation of Share Transfer Agent;
  9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
    - (i) Decision to initiate resolution of loans/borrowings;
    - (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
    - (iii) Finalization of Resolution Plan;
    - (iv) Implementation of Resolution Plan;
    - (v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.].
  10. One time settlement with a lender(s) by the Company of its own borrowings, if any;
  11. Winding up petition filed by any party/ creditors of the Company;
  12. Issuance of notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company;
  13. Proceedings of the annual and extra-ordinary general meetings of the Company;
  14. Amendments to memorandum and articles of association of the Company, in brief;
  15. (a) Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;  
Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.
    - (b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:
      - (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
      - (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:
  16. The following events in relation to the Corporate Insolvency Resolution Process ('CIRP') of a Company corporate debtor under the Insolvency Code:
    - a. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
    - b. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
    - c. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
    - d. Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
    - e. List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
    - f. Appointment/ Replacement of the Resolution Professional;
    - g. Prior or post-facto intimation of the meetings of Committee of Creditors;





- h. Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A (5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - i. Number of resolution plans received by Resolution Professional;
  - j. Filing of resolution plan with the Tribunal;
  - k. Approval of resolution plan by the Tribunal or rejection, if applicable;
  - l. Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
    - i. Pre and Post net-worth of the company;
    - ii. Details of assets of the company post CIRP;
    - iii. Details of securities continuing to be imposed on the companies' assets;
    - iv. Other material liabilities imposed on the company;
    - v. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
    - vi. Details of funds infused in the company, creditors paid-off;
    - vii. Additional liability on the incoming investors due to the transaction, source of such funding etc.;
    - viii. Impact on the investor – revised P/E, RONW ratios etc.;
    - ix. Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
    - x. Brief description of business strategy.
  - m. Any other material information not involving commercial secrets.
  - n. Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
  - o. Quarterly disclosure of the status of achieving the MPS;
  - p. The details as to the delisting plans, if any approved in the resolution plan.
17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:
- a. The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
  - b. Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any



**Annexure B**

**EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF MATERIALITY THRESHOLDS:**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire, etc.), force majeure or events such as strikes, lockouts, etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc., by directors (other than key managerial personnel) or employees of the Company.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.