

POLICY ON MATERIAL SUBSIDIARIES

1. PREAMBLE

The Securities and Exchange Board of India (“**SEBI**”) has formulated the **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (“Listing Regulations”)** under the powers conferred on it, under the SEBI Act, 1992, which is effective from December 01, 2015.

Regulation 16(c) of the Listing Regulations requires every Listed Company to devise a Policy on Material Subsidiaries.

In compliance with the above requirement, FDC Limited (“**the Company**”) has formulated this Policy on Material Subsidiaries and Material Unlisted Subsidiary, in order to determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries.

2. DEFINITIONS

- a. "**Audit Committee**" means the Audit Committee of Board of Directors constituted under the provisions of the Listing Regulations and the Companies Act, 2013.
- b. "**Company**" means FDC Limited.
- c. "**Control**" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeover Regulations, 2011 as amended from time to time.
- d. "**Material Subsidiary**" is a subsidiary that satisfies any of the following conditions:
 - i. the networth of the subsidiary, exceeds 20 percent of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year; or
 - ii. the income of the subsidiary exceeds 20 percent of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year
- e. "**Material Non Listed Indian Subsidiary**" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% (twenty percent) of the consolidated income or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.
- f. "**Significant Transaction or Arrangement**" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (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.
- g. "**Subsidiary**" shall mean subsidiaries, as defined under the Companies Act, 2013 and the Rules made there under.

Any other term not defined herein shall have the same meaning as defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Companies Act, 2013, Securities Contract Regulation Act or any other applicable law or regulations.

3. GOVERNANCE FRAMEWORK

- a. The Audit Committee of the Company shall review the financial statements of the unlisted subsidiary company, in particular, the investments made by the unlisted subsidiary Company.
- b. The minutes of the board meetings of the unlisted subsidiary company shall also be placed at the meeting of the board of directors of the Company.
- c. The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all the significant transactions and arrangements entered into by the unlisted subsidiary company.
- d. One Independent Director of the Company shall be a Director on the Board of Directors of the unlisted material Indian Subsidiary Company.

4. DISPOSAL OF MATERIAL SUBSIDIARY

The Company shall not:

- a. 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 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.
- b. sell, dispose off and lease assets amounting to more than 20% (twenty percent) of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of a special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal

5. DISCLOSURES

This policy shall also be uploaded on the website of the Company i.e. www.fdcindia.com and a web link thereto shall be provided in the Annual Report of the Company.

6. ALTERATIONS TO THE POLICY

The Board is authorised to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall be in consonance with the provisions of the Act and the Listing Regulations.

7. POLICY REVIEW

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments. In case of any subsequent changes in the provisions of the Act or Listing Regulations or any other regulations which makes any of the provisions in the policy inconsistent with the Act or Regulations, then the provisions of the Act or Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with the Applicable Law.