

Smartlink Holdings Limited
(formerly known as Smartlink Network Systems Limited)

Subsidiary Policy

(Effective from 17th May, 2017)

Particulars	Issued by	Reviewed by	Authorized by
Name	Executive Chairman	Audit Committee	Board of Directors
Signature			
Date	17 th May, 2017	17 th May, 2017	17 th May, 2017
Process Owner	Company Secretary		

Amended by the Board of Director's at its meeting held on 01st February, 2019 Directors (the "Board") of Smartlink Holdings Limited (formerly known as Smartlink Network Systems Limited) ("the Company") has adopted the following policy and procedures and disclosures with regard to Material Subsidiaries.

The Board of Directors will review and may amend this policy from time to time.

This policy will be applicable to the Company. This policy is formulated to identify the material subsidiaries, disclosures pertaining to subsidiaries to the Board of Directors and Audit Committee as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

1. Purpose

This policy is framed as per Listing Regulations of the Securities and Exchange Board of India and is intended to determine the material subsidiaries, disclosure of significant transactions or arrangement of the material unlisted subsidiaries, policy towards disposal of shares held in the material subsidiary and review of financials, particularly the investments made by all the unlisted subsidiary companies.

2. Definitions

"Audit Committee or Committee" means Committee of Board of Directors of the Company.

"Board" means Board of Directors of the Company.

“Material subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“Policy” means Subsidiary Policy.

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

“Subsidiary” means a subsidiary as defined in Section 2 (87) of the Companies Act, 2013

Any other term not defined herein, shall have the same meaning ascribed to it, as defined under the Companies Act, 2013 or the Rules framed thereunder, the Listing Agreement, Act Rules and Regulations framed by the Securities and Exchange Board of India or any other relevant legislation / regulation applicable to the Company.

3. Appointment of Independent Directors on the Board of Subsidiary Company

The Company shall appoint at least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

4. Review by Audit Committee

The Company shall place before the Audit Committee on a quarterly basis the summary of the financial statements of the Subsidiary Company. The detailed audited financial statements of the subsidiary shall be placed before the Audit Committee at the end of each financial year. The Audit Committee of the Company shall review all investments made by the unlisted subsidiary company on a quarterly basis. The Audit Committee shall recommend to the Board its concerns, if any about the investments made by the unlisted subsidiary companies. The Board shall be provided with a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Company.

5. Review by the Board of Directors

The minutes of the Board Meetings of the unlisted subsidiary company shall be placed at the Board meeting of the company on a quarterly basis. The Management shall bring to the attention of the Board all significant transactions and arrangements entered into by the unlisted subsidiary company on a quarterly basis and the information shall be part of the agenda of every board meeting held for approving quarterly/annual financial results.

6. Material Subsidiary

The management shall consider a subsidiary as Material if the investment of the company in the subsidiary exceeds 10 % of the Consolidated networth as per the audited Balance Sheet of the previous financial year or if the subsidiary has generated 10% of the Consolidated income of the company during the previous financial year.

7. Shareholders' Approval

The Company shall take prior approval of the shareholders by way of special resolution.

- a. if it wants to reduce its holding either on its own or with other subsidiaries to less than 50% or if it wants to cease the exercise of control over the material subsidiary.
- b. for sale, lease or disposal of assets of the material subsidiary amounting to more than 20 % of the assets of the material subsidiary.

The above approvals from shareholders shall not be required if the divestment in the subsidiary or sale/lease or disposal of the assets of the material subsidiary is made under a scheme of arrangement duly approved by a Court/Tribunal.

8. Secretarial Audit.

The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit 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.

9. Disclosures

The Company shall disclose the policy for determining Material Subsidiaries on the Company's website and a web link thereto shall be provided in the Annual Report.

Amendments:

The Board of Directors will review the above Policy from time to time and make suitable modifications, as may be necessary.

Conflict of law clause:

Any provision in this policy, insofar as it is inconsistent or contradictory with the provisions of law and/ or any statutory enactments shall, to the extent of such inconsistency, be void and the provisions of law/ statutory enactment shall prevail.