

17th August, 2018

To,
The Manager
The Corporate Relationship Department,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

To,
Mr. Hari K- Asst. Vice President
National Stock Exchange of India Ltd
"Exchange Plaza", Bandra - Kurla
Complex, Bandra (E),
Mumbai - 400 051

Re: Submission of Annual Report to Stock Exchanges pursuant to Regulation 34 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report of the Company for the Financial Year ended 31st March, 2018, which has been duly approved and adopted by Members as per the provision of Companies Act, 2013 at the Annual general Meeting of the Company held on Tuesday, 7th August, 2018.

Request you to kindly take the same on record.

Thanking You,

Yours Faithfully,

For SMARTLINK HOLDINGS LIMITED



URJITA DAMLE
COMPANY SECRETARY

SMARTLINK HOLDINGS LIMITED

(Formerly known as Smartlink Network Systems Limited)

Registered Office : L-7, Verna Industrial Estate, Verna, Salcete, GA, 403722, IN | Land Phone : +91 832 2885400 | Fax : +91 832 2783395

Corporate Office : 215 Atrium, 2nd Floor, B-Wing, Courtyard Marriott Compound, Andheri-Kurla Road, Andheri (E), Mumbai - 400 093, INDIA
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www.smartlinkholdings.com

SMARTLINK HOLDINGS LIMITED

(Formerly known as Smartlink Network Systems Limited)

Annual Report **2017-18**

Group Vision

To be a leading player in the Digitally Connected World, by offering a complete value proposition from product design to customer delight.

Group Mission

- To facilitate the individual businesses to grow through our best in class products and service offerings.
- To encompass technological foresight with focused leadership.
- To create a trustworthy environment by keeping transparency with internal and external stakeholders.



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Chairman's Message



K. R. Naik,
Executive Chairman

“We are evolving our organization so that we can move rapidly to take advantage of changing opportunities in the marketplace.”

Dear Shareholders,

The year under review was a challenging one, not just for us but for the entire industry. Just as the Indian economy was settling down after the disruption caused by demonetization, the government announced the introduction of the long awaited Goods & Services Tax (GST) from 1st July, 2017. The new tax regime, termed by many as India's biggest tax reform since independence, is founded on the concept of 'one nation, one market, one tax'. As expected, there were teething problems and the implementation went through after several rounds of modification and rationalization.

But I do believe that in the long run, this would be a game changer for the Indian economy and the government deserves to be applauded for its wisdom and courage in implementing this. GST will boost competitiveness and the performance of India's manufacturing sector. The compliance burden will ease and logistics, e-commerce, IT, ITeS, Telecommunications, startups, will all

benefit in good measure. It will also lead to lesser tax evasion.

The introduction of GST, however, had a significant short-term impact on the top line of most companies. In our case too, our consolidated revenues from operations declined from ₹ 10,373.82 lakhs in FY 2017 to ₹ 9742.33 lakhs in FY 2018. The Company posted a Consolidated Loss after Tax of ₹ 322.27 lakhs as compared to Consolidated Loss after Tax of ₹ 971.25 lakhs during the previous year.

The other significant feature of the year was consolidation. As you are aware, the company had undertaken a major restructuring exercise where by Smartlink Holdings Limited became a holding company along with three subsidiaries viz. Digisol Systems Ltd. (DIGISOL), Synegra EMS Ltd (SYNEGRA) and Telesmart SCS Ltd (TELESMART). This restructuring exercise was

carried out to adequately focus on each of the businesses of the company. Smartlink Network Systems Ltd. has been rechristened as Smartlink Holdings Ltd. (with effect from 18th April 2018) and has obtained the certificate of registration as a Non-Banking Financial Company (non accepting deposits) on 2nd May 2018.

Let me explain to you the Main Activities of these three subsidiaries - Digisol Systems Ltd. is a Products company with sales, marketing & support in Active & Passive range of DIGISOL BRAND Networking Products. The DIGISOL brand has been well established since 2010 and commands much respect in the marketplace.

During the year, we streamlined operations of DIGISOL and it now has excellent Engineering Teams in sourcing, testing, & supporting full range of products in Active & Passive products. During the year under review, DIGISOL introduced many new products in the active range like GPON, wireless AC routers, industrial switches and a range of solderless Keystone and patch panels in its passive range. DIGISOL will continue to broaden its offerings to capture expanding market opportunities, while continuing to transform itself to serve the needs of its customers and building its brand.

SYNEGRA is active networking and electronic products manufacturing Company, having excellent components sourcing Team. It has SMT lines, Assembly lines, Testing lines geared up to manufacture products like Routers to high end Switching Products. Currently, it supplies products to DIGISOL Systems and going forward will be manufacturing for other brand companies in India and abroad.

TELESMART is Passive Networking Products manufacturing Company in copper & fiber. It has exposure in Technology having partner with more than 2 decades of experience. We have developed locally solder less Keystone and 90 Degree Patch Panel and have excellent export potential. It has full Assembly lines in Copper

and Fiber. Many of the products are tooled up for manufacturing from local vendors. Presently products are marketed by DIGISOL Systems Ltd. going forward will be exported outside India.

The Government's 'Make in India' initiative augurs well for SYNEGRA and TELESMART and we look forward for high growth.

The three subsidiaries have distinct identities and a sharp focus in their respective businesses. This will enable us to concentrate better on manufacturing as well as marketing of products and solutions for our customers. It will also enable each subsidiary to be innovative and have its own strategy in areas like product development.

I am confident that our new structure will improve our competitive position and increase our efficiency. We are evolving our organization so that we can move rapidly to take advantage of changing opportunities in the marketplace.

We continue to maintain our commitment to be a responsible company and a good corporate citizen and implement sustainable practices and support educational, environment and other initiatives.

I must express my sincere thanks to our shareholders for the confidence reposed in us and to my colleagues on the Board for their continued guidance. I am also grateful to our customers for giving us an opportunity to serve, to the employees of Smartlink and its three subsidiaries for their unstinted dedication and all our stakeholders for their whole hearted support in our endeavours.

Thanking you,

Yours sincerely,

K.R. Naik
Executive Chairman

Business Overview

Smartlink Holdings Ltd. was formerly known as Smartlink Network Systems Ltd. which was in the Networking Products business for more than three decades and involved in manufacturing, sourcing, sales and marketing, support, etc.

Now, Smartlink Holdings Ltd. is an NBFC with assets, cash and investments including investment in three individual companies.

Smartlink Holdings Ltd. has been restructured into three subsidiaries, each with a strong focus in their line of business.

- 1. DIGISOL Systems Ltd.:** DIGISOL Brand Networking Products Company with teams for engineering sourcing, sales & marketing and support and service across India. It has a full range of Active and Passive networking products.
- 2. Synegra EMS Ltd.:** Active Networking Products EMS/ODM Manufacturing Company with teams for component sourcing and manufacturing. Its facilities include SMT lines, Assembly & Testing lines, etc. at Verna Industrial Estate, Goa.
- 3. Telesmart SCS Ltd.:** Passive Networking Products Manufacturing Company (ODM) in copper and fiber range with facilities that include Assembly & Testing lines at Verna Industrial Estate, Goa. It has an engineering team for design and development of Copper and Fiber Products along with a component sourcing team.

DIGISOL SYSTEMS LTD.

DIGISOL Systems Ltd. is a wholly owned subsidiary of Smartlink Holdings Ltd. and is a leading player in the Active & Passive Networking Products line under DIGISOL Brand.

DIGISOL was first launched as an active networking products brand of Smartlink Holdings Ltd. in the year 2010.

DIGISOL has set a new benchmark in the Converged Communication Systems space by offering a wide range of products across the IT networking spectrum that includes Active Networking as well as Structured Cabling Solutions. Thus, we say with pride that DIGISOL offers a portfolio of end-to-end networking products and solutions.

DIGISOL is committed to the “**MAKE IN INDIA**” initiative of the Government of India and most of its best selling products, like ADSL Routers, Broadband Routers and Switches are made in India by the group Company, SYNEGRA.

DIGISOL has been able to build a name for itself in the Active Networking Products market, thanks to Smartlink Holdings Ltd.'s legacy built on quality products, PAN India distribution and excellent after sales service.

The range of DIGISOL Active Networking Products include:

- Broadband and ADSL Routers
- 4G/3G Routers and USB Dongles
- Switching: Unmanaged, Semi managed, Managed and Chassis
- Enterprise Wireless: Indoor & outdoor
- IP Surveillance: Dome, Bullet, Pan-Tilt, NVR
- GEAPON, GPON



SMARTLINK GROUP OF COMPANIES:

DIGISOL

Headquartered in Mumbai, focuses on Sales and Marketing of DIGISOL brand of Active Networking and Structured Cabling Products.

SYNEGRA

With its facility based in Goa, manufactures Active Networking range of products for DIGISOL & also provides contract manufacturing services to other companies who wish to enjoy significant benefits of local manufacturing.

TELESMART

Manufactures Structured Cabling products of Copper and Fiber at it's Goa Facility.

DIGISOL Structured Cabling Solutions

DIGISOL introduced the range of Passive Products under DIGISOL brand last year. The range of DIGISOL Passive Networking Products include Copper, Fiber as well as FTTH solutions.

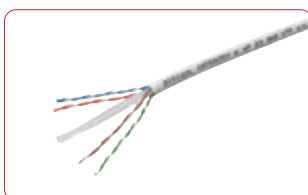
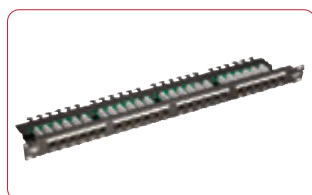
Products adhere to EIA/TIA and ISO/IEC international standards. RoHS compliant products are backed by international 25 years product warranty performance. With its strong presence in SMB & Enterprise, DIGISOL works with regional and national SIs for enhanced presence in large scale projects.

DIGISOL's Structured Cabling Systems fulfill the network connectivity needs of medium to small businesses and home networks.

90% of products are manufactured in India by TELESMAST SCS Ltd.

Structured Cabling Product Range

- COPPER range of products includes all types of Keystones in Cat 5e, Cat 6, Cat 6 A, all types of Patch Panels in CAT 5E, Cat 6 and Cat 6A, all types of Solid Cables, Multi Strand Cables, Patch Cords and Face Plates.
- FIBER range of products include all types of Cables, Patch Cords, Pig Tails, LIU's and range of Adapters.
- FTTH range of products include Splitters, FDB's, Fiber Output and ODF's.



DIGISOL Nationwide Reach

Our unique distribution system comprises of exclusive regional distributors to address the channel and SMB segments. This ensures extensive reach and easy availability of all our products and solutions throughout the country.

- 7 Branch Offices in India
- 64 Service & Support Centres
- Level 4 Support from Factory

Unique Distribution Setup

- 20+ Regional Distributors
- 250+ Stockist Partners
- 222+ System Integrators
- 5000+ Resellers

DIGISOL Awards & Recognitions



Innovative Passive Networking Products Brand Award
NCN-Special Award 2017



BEST FTTH CPE' Award
NCN-Editors Choice 2017



Best Make In India Wi-Fi Company Award
at My India Wi-Fi Summit & Awards 2017



Best Innovation in SCS Products
VARINDIA Star Nite Award 2017



Best Quality Structured Cabling Brand
DT Awards 2017



Best Make In India Wireless Router Brand
DT Awards 2017

SYNEGRA EMS LTD.

Synegra EMS Ltd. is Smartlink's wholly owned subsidiary and engaged in the business of EMS/ODM manufacturing of a wide range of electronic and networking products for DIGISOL as well as for other Brand companies. Synegra is the ideal choice for companies looking to manufacture their electronic products in India.

SYNEGRA being a 100% subsidiary of Smartlink has over three decades of experience in manufacturing electronic products for the IT Networking and telecom industries. Its state-of-the-art manufacturing facility at Goa is highly flexible and versatile, and geared for delivering products of global quality.



- ISO 9001:2008 and ISO 14001:2004 certified plants with highly versatile SMT lines
- Production shop floor area of 27,000 sq. ft.
- World-class manufacturing setup with dust-proof and humidity-controlled environment
- SMT setup with unique integration
- The latest technology in equipment such as ICT, BGA rework machines, X-ray machine, Wi-Fi tester
- Process capability of manufacturing RoHS - certified products
- BAR code shop floor control system for flawless process engineering
- Highly skilled and well-trained personnel to consistently deliver

TELESMART SCS LTD.

Telesmart SCS Ltd. is a subsidiary of Smartlink Holdings Ltd. and is engaged in the business of manufacturing a wide range of Passive networking (SCS) products.

The focus of the Company is in the manufacture of various structured cabling products in both copper and fiber range as ODM supplier to DIGISOL and other Brand Companies.

Telesmart's cabling portfolio includes end-to-end cabling solution (Cat 5e, Cat 6 & Cat6A), Patch Panels, Patch Cords. The fiber range includes fiber patch cords and pigtails, etc. The Company has state-of-the-art production lines for copper and fiber manufacturing designed as per lean concept. It has also set up a Clean Room for Fiber Patch cord manufacturing, where Fiber Cords are manufactured under controlled temperature and clean environment.



Board of Directors



K. R. Naik, Executive Chairman

Mr. K. R. Naik is the founder of Smartlink Holdings Ltd. (formerly known as Smartlink Network Systems Limited). He joined the Company as the Director on 31st March 1993. His vision is to make the group companies the premier technology Companies with a strong base of Manufacturing in the Networking/ Communication field. Mr. Naik has over four decades of experience in the networking industry. He holds Post Graduate Diploma in Industrial Engineering from Jhunjhunwala College & Diploma in Business Management from Jamnalal Bajaj Institute of Management, Mumbai. He started his career with IBM India in development & sourcing of parts of Data Processing Machines in IBM Mumbai Plant. He is also a former President of MAIT.

Arati Naik

Arati Naik has been appointed as the Chief Operating Officer of the Subsidiary Company, Digisol Systems Limited and involved in managing DIGISOL business and defining strategies for the products business. She is Graduate in Computer Science and Post-Graduation in Business & Information Systems from The University of Bolton, UK and alumni of IIM Bangalore, having done an executive general management program.



K. M. Gaonkar

Mr. K. M. Gaonkar possesses a Masters Degree in Science from UDC Mumbai and has 31 years of experience in the petrochemical and fibre industry. He started his career with Colour Chem Ltd as a research chemist, where he worked for a period of 7 years before shifting to Reliance Industries Ltd. He worked for 23 years in various positions in Reliance Industries, with the last six years as a Vice President in their Fibres Marketing Division.

Pradeep Rane

Mr. Pradeep Rane is a science graduate and has over 33 years of experience in Sales, Marketing, Strategic Planning and overall Business Management with the Pharmaceutical industry.



Pankaj Baliga

Mr. Pankaj Baliga, has a Bachelor's Degree in Engineering, NIT, Durgapur, a Master's Degree in Business Administration from IIM Ahmedabad and is a SPURS Fellow, Massachusetts Institute of Technology, U.S.A. He has more than 41 years of experience in management, including 35 years with the Tata Group with the last 14 years at Tata Consultancy Services Ltd (TCS).

Bhanubhai Patel

Mr. Bhanubhai Patel holds a Bachelors Degree in Commerce and General Law and is a Member of the Institute of Chartered Accountants of India. He has more than 32 years of experience in the field of Finance and General Management. He has worked with Indian Xerographic Systems Ltd. (a Modi-Xerox Joint Venture) for 10 years and for last 22 years with Oerlikon Textile India Pvt. Ltd. (part of a Swiss based Oerlikon Group) in various capacities where presently he is holding the position of Managing Director.



Pradeep Pande

Mr. Pradeep Pande possesses Bachelors degree in Science and Legislative Law (LLB), Master degree in Labour Studies - Human Resources Management and has done Diploma in Training & Development. He has vast experience in Human Resource Management having worked with Hindustan Unilever, Aventis Pharma, Lupin Limited, Ispat Industries, Roche Products, Binani Industries Limited, Alkem Laboratories and RAK Ceramic.

Financial Information



Directors' Report

TO THE MEMBERS,

The Directors of your Company (the Company or Smartlink) take pleasure in presenting their 25th annual report along with the audited financial statements for the financial year ended 31st March, 2018. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. FINANCIAL RESULTS

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Income from operations	1,805.65	2,164.21	9,742.33	10,373.82
Other income	291.02	252.31	102.57	155.45
Profit / (loss) before depreciation, exceptional items and tax	1,571.66	1,302.40	211.22	(313.67)
Less: Depreciation for the year	127.86	119.90	184.88	165.17
Add: Exceptional items	-	312.99	-	-
Profit / (Loss) before tax from continuing operations	1,443.80	1,495.49	26.34	(478.84)
Less: Provision for tax				
a) Current tax	483.10	381.41	483.10	197.16
b) MAT Credit entitlement	(118.87)	-	(118.87)	-
c) Deferred tax	(20.63)	445.94	(20.63)	295.24
d) Short Provision of Income Tax in earlier year	-	-	13.57	-
Profit / (Loss) after tax from continuing operations	1,100.20	668.14	(330.83)	(971.25)
Loss before tax from discontinued operations	-	(485.82)	-	-
Less: a) Current tax	-	(184.25)	-	-
b) Deferred tax	-	(150.70)	-	-
Loss after tax from discontinued operations	-	(150.87)	-	-
Profit / (Loss) for the year before Minority Interest	1,100.20	517.27	(330.83)	(971.25)
Share in Loss attributable to Minority Interest	-	-	8.56	-
Profit / (Loss) for the year	1,100.20	517.27	(322.27)	(971.25)
Earnings Per Share (₹)	4.88	2.12	(1.43)	(3.98)

2. REVIEW OF OPERATIONS

2.1 Review of standalone financials

In the financial year 2017-18, the Company achieved an Income from operations of ₹1805.65 lakhs as compared to ₹2164.21 lakhs in the previous year.

Profit after tax was ₹1100.20 lakhs for the year ending 31st March, 2018 as compared to Profit after tax of ₹517.27 lakhs in the previous year.

2.2 Review of consolidated financials

In the financial year 2017-18, the Company achieved an Income from operations of ₹9742.33 lakhs as compared to ₹10373.82 lakhs in the previous year.

Loss after tax was ₹322.27 lakhs for the year ending 31st March, 2018 as compared to Loss after tax of ₹971.25 lakhs in the previous year.

3 SIGNIFICANT DEVELOPMENT

a. Change in name of the Company

The name of the Company was changed from "Smartlink Network Systems Limited" to "Smartlink Holdings Limited" pursuant to the Certificate of Incorporation dated 18th April, 2018 issued by the Registrar of Companies, Goa in order to reflect the identity and the nature of the activity of the Company i.e. investment.

b. Registration as a Non-Banking Financial Company (Non-Deposit taking)

The Company has obtained the Certificate of Registration as non-banking financial Institution- not accepting public deposits on 2nd May, 2018 from Reserve Bank of India.

4. RESERVES

As required under Section 45IC of Reserve Bank of India Act, 1934, 20% of the Net Profit is required to be transferred to a Special Reserve Account. Therefore an amount of ₹220.04 lakhs, which is equal to 20% of the Net Profit, has been transferred to said Reserves.

5. DIVIDEND

Your Directors have not recommended any Dividend for the year 2017-18.

6. SHARE CAPITAL

The Paid-up Equity Capital of the Company as on 31st March, 2018 stood at ₹45,100,000/- consisting of 22,550,000 Equity Shares of ₹2/- each.

7. BUYBACK OF SHARES

The Board at its meeting held on 7th April, 2018, approved proposal of the Company to buyback its 56,00,000 fully paid up equity shares of face value of ₹2/- each from the eligible equity shareholders of the Company for an amount not exceeding ₹672,000,000 (Rupees Sixty Seven Crores Twenty Lakhs Only). The shareholders approved the proposal for buyback of equity shares at the EGM held on 4th May, 2018. The buyback offer comprises a purchase of 5,600,000 equity shares aggregating 24.83% of the paid-up equity share capital of the Company at a price of ₹120/- per equity share. The buyback has been offered to all eligible shareholders as on record date i.e. 18th May, 2018 on a proportionate basis through the 'Tender offer route'.

8. NBFC PUBLIC DEPOSITS DIRECTIONS

The Company has neither invited nor accepted any deposits from the public during the financial year 2017-18. The Company does not intend to invite or accept any deposits during financial year 2018-19. No amount on account of principal or interest on deposit from public was outstanding as on the date of the balance sheet.

9. RISK MANAGEMENT

The Company has a Risk Management (RM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework helps in identifying risk trend, exposure and potential impact analysis at a Company level.

The Risk Management policy formulated by the Company has identified the key business risks and also the plans to mitigate the risks.

10. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Financial Control Systems, commensurate with the size, scale and complexity of its operations. The Management evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

11. VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of code of conduct which provides for adequate safeguards against victimization of director(s) / employee(s) and also provides for direct access to the Chairman of the Audit committee in exceptional cases. The Audit Committee and the Board of Directors have approved the Whistle Blower Policy and the details are available on the website of the Company under the weblink <http://smartlink.co.in/wp-content/uploads/2014/10/Smartlink-Whistle-Blower-Policy.pdf>.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies Act, 2013 read with rules made thereunder, your Company has constituted a Corporate Social Responsibility Committee (CSR Committee). The constitution of the committee is given in the Corporate Governance Report.

The Corporate Social Responsibility Committee ('CSR Committee') has formulated and recommended to the Board, a Corporate Social Responsibility Policy ('CSR Policy') indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy is displayed on the website of the Company at <http://smartlink.co.in/wp-content/uploads/2014/10/Corporate-Social-Responsibility-Policy-Smartlink.pdf>.

The requisite details on CSR activities pursuant to Section 135 of the Act and as per Annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as **Annexure - H** to this Report.

13. SUBSIDIARY COMPANIES

The Company has three subsidiary companies, namely Digisol Systems Limited, Synegra EMS Limited and Telesmart SCS Limited.

Detailed information on the performance and financial position of subsidiaries of the Company is covered in the Management Discussion and Analysis Report.

The financial statements of the Company have been prepared in accordance with Section 129(3) of the Companies Act, 2013. Further, a statement containing salient features of the financial statement of our subsidiaries in prescribed format AOC-1 is appended as **Annexure - I** to the Boards Report. The statement also provides the details of performance and financial position of each of these subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including consolidated financial statements will be available on the Company's website www.smartlink.co.in. The Company would provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company on specific request made to it in this regard by the shareholders.

The Company has formulated a Policy on Material Subsidiary as required under Listing Regulations and the policy is uploaded on the website of the Company at <http://smartlink.co.in/investor-relation/?slug=smartlink-policies-corporate-governance>.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

There was no change in Key Managerial Personnel during the year under review.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence prescribed under section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations (hereinafter to be referred as "Listing Regulations").

Mr. Jangoo Dalal, Independent, Non-Executive Director of the Company resigned from the directorship of the Company with effect from 2nd January, 2018.

Ms. Arati Naik, retires by rotation and being eligible, offered herself for re-appointment.

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent directors) which includes criteria for performance evaluation of Non-Executive Directors and Executive Directors. The evaluation process inter-alia considers attendance of the Directors at Board and Committee meetings, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, etc.

Mr. Kamalaksha Naik, Executive Chairman, Mr. K. G. Prabhu, Chief Financial Officer and Ms. Urjita Damle, Company Secretary have been designated as Key Managerial Personnel in accordance with provisions of Section 203 of the Companies Act, 2013.

15. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees.

- Observations of board evaluation carried out for the year - There were no observations in the Board Evaluation carried for the year
- Previous year's observations and actions taken - There were no observations of the Board for the last financial year
- Proposed actions based on current year observations - Not applicable

The manner in which the evaluation has been carried out has been given in the Corporate Governance Report.

16. REMUNERATION POLICY

The Board has, on recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of Remuneration Policy is stated in the Corporate Governance Report.

17 MEETINGS

During the year, five Board Meetings and four Audit Committee Meetings were convened and held. The details of the same are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

18. AUDIT COMMITTEE

The composition of the Audit Committee is in line with the provisions of Section 177 of the Act read with Regulation 18 of SEBI Listing Regulations. The Chairman of the Audit Committee is an Independent Director. The details of the composition of the Audit Committee are given in the Corporate Governance Report. During the year all the recommendation of the Audit Committee were accepted by the Board.

19. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee (SRC) is in line with the Section 178 of the Act read with Regulation 20 of SEBI Listing Regulations.

20. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee (NRC) is in line with the Section 178 of the Act read with Regulation 19 of SEBI Listing Regulations. The details of meetings and their attendance are included in the Corporate Governance Report.

21. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and ability, your Directors in terms of Section 134(5) of the Companies Act, 2013, hereby state and confirm that:

- a) in the preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- b) appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and the profit of the Company for that period.
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a 'going concern' basis.
- e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

22. RELATED PARTY TRANSACTIONS

None of the transactions with related parties fall under the scope of Section 188(1) of the Act.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. The Company has developed a Related Party Transactions Policy for the purpose of identification and monitoring such transactions.

The information on transaction with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure - J** in Form AOC-2 and the same form a part of this report.

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

24. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, IF ANY, DURING THE PERIOD FROM 31ST MARCH, 2018 TO THE DATE OF THE REPORT

There was no material change/ commitment affecting the financial position of the Company during the period from the end of the financial year on 31st March, 2018 to the date of the Report.

25. EMPLOYEE STOCK OPTION SCHEME

The Company has not issued any ESOPS to its employees during the year.

26. REPORTING OF FRAUDS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and Rules framed there under either to the Company or to the Central Government.

27. AUDIT REPORTS AND AUDITORS

27.1 Audit reports

The Auditors' Report for the year 2017 - 2018 does not contain any qualification, reservation, or adverse remark. The Auditors' Report is enclosed with financial statements in this Annual Report.

The Secretarial Auditors' Report for the year 2017 - 2018 does not contain any qualification, reservation, or adverse remark. The Secretarial Auditors' Report is enclosed as Annexure B to Boards' Report in this Annual Report.

27.2 Auditors

Statutory Auditors

Sharp & Tannan LLP, Chartered Accountants has resigned as the Statutory Auditors of the Company post submission of the audit report on the financial statements for the financial year 31st March, 2018.

Hence, in order to fill up the casual vacancy, the Board of Directors appointed MSKA & Associates, Chartered Accountants bearing registration no. 105047W at the Board Meeting held on 11th May, 2018. The appointment of MSKA & Associates, Chartered Accountants, are to be approved by the members in the ensuing Annual General Meeting.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Shivaram Bhat, a Company Secretary in Practice (CP No. 7853) to conduct Secretarial Audit of the Company.

28. PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

As per provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an Internal Complaints Committee for redressal of complaints against sexual harassment and there were no complaints received during the financial year.

29. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading in compliance with SEBI (Prohibition & Insider Trading) Regulation, 2015 with a view to regulating trading in securities by the Directors and designated employees of the Company.

30. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the application provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid and unclaimed dividend are required to be transferred to the IEPF established by the Government of India, after completion of seven years. Further, according to the Rules, the shares on which dividend has not been claimed by shareholders for seven consecutive years or more shall also be transferred to demat account of IEPF Authority. Accordingly the Company has transferred the unclaimed and unpaid dividend of ₹92,246/- on 29th September, 2016. Further 3361 shares were transferred as per requirements of IEPF Rules.

31. DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, Management Discussion and Analysis is annexed as "Annexure A" to the report. Secretarial Audit Report is annexed as "Annexure B". A separate section on the corporate governance is annexed as "Annexure - C", together with a certificate from the Mr. Shivaram Bhat confirming compliance is annexed as "Annexure - D". Declaration by the Executive Chairman is annexed as "Annexure - E". The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standard issued by Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

32. EXTRACT OF ANNUAL RETURN

In accordance with section 134(3)(a) of the Companies Act, 2013, an extract of Annual Return as per prescribed format is appended as Annexure - F to the Boards Report.

33. STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL

The information required under section 197 of the Act read with Rule 5(1)(i) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is enclosed as “Annexure - G” to this report.

34. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars regarding conservation of energy, technology absorption is not applicable.

Total foreign exchange earnings and outgo is stated in Note 29 and 30 forming part of the Accounts.

35. PARTICULARS OF LOANS / ADVANCES / GUARANTEE / INVESTMENTS OUTSTANDING DURING THE FINANCIAL YEAR

Details of Loans, Guarantee and Investment covered under the provision of Section 186 of the Act read with the Companies (Meeting of Board and its Powers) Rules, 2014 are given in Notes to the financial statements.

36. ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the continuing support and co-operation from the customers, vendors, dealers, distributors, resellers, bankers, shareholders, Goa Industrial Development Corporation, State Industries, Electricity and other Government departments.

The Directors also take this opportunity to thank the employees for their dedicated service throughout the year.

For and on behalf of the Board

Place : Mumbai
Date : 11th May, 2018

K. M. Gaonkar
Director
DIN: 00002425

K. R. Naik
Executive Chairman
DIN: 00002013

Annexure - A

Management Discussion and Analysis

ECONOMIC OVERVIEW

The global economy strengthened in 2017 and grew 3.8 percent, thanks to a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia and a notable upswing in emerging Europe. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favourable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. *(IMF report)*

While the global economy is in a broad-based cyclical recovery, the outlook remains clouded by a number of risks. These include the possibility of financial market disruptions, rising protectionist sentiment, and heightened geopolitical tensions. Of particular concern is evidence of subdued productivity and slowing potential growth. *(World Bank report)*.

In 2017, the Indian economy had to bear the twin shocks of the aftereffects of demonetization and the mid-year rollout of GST, the new indirect tax system.

Disruptions from demonetization and events surrounding the implementation of GST led to a setback in economic activity.

The Indian economy felt the pangs of GST initially. Manufacturing witnessed slowdown, as companies and traders had emptied inventories to carry over as little old stock as possible into July, triggering an unexpected mid-year pre-GST "sale" season on many products at heavy price markdowns. This large scale inventory clearance had caused an economy-wide slowdown, pulling down overall Gross Domestic Product (GDP) growth to a 13-quarter low of 5.7 percent in the quarter-ended June.

Thereafter, GDP growth raced faster in July-September at 6.3 percent as companies shrugged off the inventory disruptions.

While implementation of GST became a thorny issue, the tax reform as a whole was welcomed by the industry.

GST was also introduced to make tax administration more efficient, bring in transparency, remove red tape and turn India into a common national market by removing fiscal barriers among states.

The World Bank has forecast a growth rate of 7.3 per cent for India in 2018 and 7.5 per cent for 2019 and 2020, and noted that the country's economy has recovered from the effects of demonetisation and the Goods and Services Tax.

"Growth is expected to accelerate from 6.7 in 2017 to 7.3 per cent in 2018 and to subsequently stabilise supported by a sustained recovery in private investment and private consumption", according to World Bank.

Looking ahead, the return to business as usual and subsequent rebalancing of growth drivers towards investment could support acceleration of GDP growth.

The year also saw India climb into the 100th position in the World Bank's Ease of Doing Business rankings, jumping 30 notches from last year and highest ever since 2014. Similarly, global ratings agency, Moody's Investors Service upgraded India's sovereign ratings to Baa2 from its lowest investment grade (Baa3), after a gap of 13 years.

THE INDIAN IT SECTOR

The global sourcing market in India continues to grow at a rapid pace. India remained the world's top sourcing destination in 2016-17 with a share of 55 per cent. Indian IT & ITeS companies have set up over 1,000 global delivery centres in over 200 cities around the world.

More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centres in India.

The IT industry has also created significant demand in the Indian education sector, especially for engineering and computer science. India has come out on top with the highest proportion of digital talent in the country at 76 per cent compared to the global average of 56 per cent!.

The internet industry in India is likely to double to reach US\$ 250 billion by 2020, growing to 7.5 per cent of gross domestic product (GDP). The number of internet users in India is expected to reach 730 million by 2020, *(Source: NASSCOM)*.

Indian IT exports are projected to grow at 7-8 per cent in 2017-18 to US\$ 126 billion, in addition to adding 130,000-150,000 new jobs during the same period. The Indian IT and BPM industry is expected to grow to US\$ 350 billion by 2025 and BPM is expected to account for US\$ 50-55 billion out of the total revenue. The E commerce market in India is set to grow at 30 per cent annually to hit US\$ 200 billion gross merchandise value by 2026.

Indian technology companies expect India's digital economy to have the potential to reach US\$ 4 trillion by 2022, as against the Government of India's estimate of US\$ 1 trillion. Digital payment in India is expected to grow from 32 per cent in 2013-14 to 62 percent

in 2017-18 in terms of volume of transactions. Total spending on IT by banking and security firms in India is expected to grow 8.6 per cent year-on-year to US\$ 7.8 billion by 2017!! India's Personal Computer (PC) shipment advanced 11.4 per cent year-on-year to 9.56 million units in 2017 on the back of rise in the quantum of large projects.

The public cloud services market in India is slated to grow 35.9 per cent to reach US\$ 1.3 billion according to IT consultancy, Gartner. Increased penetration of internet (including in rural areas) and rapid emergence of e-commerce are the main drivers for continued growth of data centre co-location and hosting market in India. India's business to business (B2B) e-commerce market is expected to reach US\$ 700 billion by 2020 whereas the business to consumer (B2C) e-commerce market is expected to reach US\$ 102 billion by 2020.

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows US\$ 29.825 billion from April 2000 to December 2017, according to data released by the Department of Industrial Policy and Promotion (DIPP).

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. The industry's export revenue to grow at 7-8% and domestic market revenue is projected to grow at 10-11 per cent in 2017-18.

The networking industry

The worldwide enterprise Wireless Local Area Network (WLAN) market grew by 5.7% in 2017 with US\$ 5.7 billion in revenues. While the growth in the enterprise segment of WLAN continues, the consumer segment is seeing some challenging times. Latin America and Asia Pacific are setting the pace for growth in the WLAN market. IDC forecasts moderate growth in the coming years for the entire enterprise WLAN.

The worldwide Ethernet Switch market (layer 2/3) recorded over US\$ 25.7 billion in revenues in 2017 with a year-over-year growth

rate of 5.4%, while the Router market showed an increase of 4% and clocked a figure of US\$ 15.2 billion. The Asia/Pacific region recorded the strongest growth at 11.3% for the year 2017.

The global enterprise and service provider Router market grew at 4% in 2017 with the service provider segment driving 5.7% growth and the enterprise segment declining 1.1%.

Government Initiatives will boost the IT Industry

Some of the major initiatives taken by the government to promote IT and ITeS sector in India are as follows:

The Government of India is going to explore new opportunities in various sectors such as providing BPO service from home, digital healthcare and agriculture to achieve the target of making India a US\$ 1 trillion digital economy.

The Government of India is planning to set wifi facility for around 5.5 lakh villages by March 2019 with an estimated investment of Rs 3,700 crore (US\$ 555 million) and the government expects to start broadband services with about 1,000 megabit per second (1 gbps) across 1 lakh gram panchayats by the end of this year.

The Indian Networking Market

The Indian networking market posted steady growth over the four quarters in 2017, and both the Ethernet Switch market as well as Router market witnessed healthy growth.

The investments in the Ethernet Switching market were driven from verticals like telecommunications, BFSI, professional services, government and educations and it is expected that the digitization efforts by the government will continue to pull in investments and propel the growth of the Ethernet Switch segment in India.

In the Router market, the growth was observed in both service provider and enterprise deployments. The service provider segment was driven by growth in high end Routers to upgrade the infrastructure requirements driven by 3G, 4G and VoLTE deployment, while in the enterprise segment the high end and mid range Routers were instrumental in driving the growth. The rising demand for data centres and cloud based deployments will further propel the growth of the Routers.

THE INDIAN NETWORKING MARKET IN 2017

(Values in USD million)

	Q1 2017		Q2 2017		Q3 2017		Q4 2017	
	Value	Growth	Value	Growth	Value	Growth	Value	Growth
Ethernet Switch Market	126.6	12.40%	135.5	22.80%	119	18.40%	118.7	-9.50%
Router Market	92.5	33.50%	87.1	26.90%	89.4	30.60%	98.7	NA
WLAN	42.3	8.50%	43.1	-8%	46.9	-8.90%	42.1	-8.90%

* Source from "IDC WLAN and LAN" tracker report.

The digitization efforts by the government will continue to have a positive impact on the networking market. The various smart city projects have laid a foundation to create a digital ecosystem highlighting the need to upgrade the current network infrastructure requirement. The various private and government players are contributing towards increasing the digital footprint. (Source: IDC)

Networking market is expected to grow due to digital initiatives, 4G rollouts, VoLTE rollouts, Wi-Fi campus, Hotspots, etc. A majority of the organisations are opting for digital transformation and investing in technologies like Digital Assistant, IOT, AR/VR, Robotics, ML, etc. to stay ahead of competition.

Networking infrastructure is the backbone in this digital world. The advent of new age technologies such as mobility, cloud, IOT, etc. along with various digital transformation initiatives in organisations would lead to a relooking of network architecture to be more efficient, flexible, smart, scalable and secure.

The Ethernet Switch, Router and WLAN market are expected to grow in single digits in terms of compound annual growth rate (CAGR) during 2017-2022. The Government initiatives are expected to propel the growth across the product category specially in the coming year.

BUSINESS OVERVIEW

Smartlink during the year received a Certificate of Registration as Non-Banking financial Company - not accepting public deposits on 2nd May, 2018.

The Company's income is mainly from investments and rent income from immovable properties.

DIGISOL SYSTEMS LTD.

Active Networking Products

Digisol delivers a wide range of active networking products within domain of Converged Communications Solutions under the brand name DIGISOL and its portfolio encompasses over 150 products across the IT networking spectrum.

DIGISOL products incorporate world class quality and are backed by Synegra's and Telesmart's own manufacturing facility and a Pan-India distribution network. They have call-based technical support backed by a strong in-house service team.

On the product front, WLAN and Switching markets are growing and the company registered growth in those lines.

During the year, the company launched a large number of DIGISOL products including routers, networking switches and IP surveillance products which have received overwhelming response from the market. These also included products manufactured by the Group's manufacturing arm Synegra EMS.

Passive Networking Products

DIGISOL cabling portfolio includes end-to-end cabling solution (Cat 5e, Cat 6 & Cat6A), UTP/STP LAN Cables, Patch Panels / Cords. The fiber range includes Fiber cables, Fiber connectors, couplers ETC.

The Company's cabling products adhere to EIA/TIA and ISO/IEC international standards. ROHS compliant products are backed by international 25 years product performance warranty.

Brand Building is the key to DIGISOL's success

Brand building has always been accorded top priority at Digisol. While it is important to provide finest quality products of the latest technology, the manner in which the consumer perceives the brand is equally important, especially from the long term perspective. The brand DIGISOL is barely seven years old and it requires massive efforts to establish the brand.

Digisol will continue to invest in educating the channel community of partners, distributors and system integrators who interact with the end consumers and play a strong role in building the brand. The Company's primary focus is positioning DIGISOL brand as a major brand in the midmarket that offers quality and value for money. The Company's brand building efforts include road shows for the channel community across the country and participation in trade shows and expos and in-shop branding. In addition to traditional advertising in India, Digisol is active on important social media platforms like Facebook, LinkedIn and Twitter.

DIGICARE

After Sales Service and Support

Digisol has its own Service & Support division DIGICARE, which gives it a tremendous edge over its competitors. It offers high quality after sales service and support designed to deliver total customer satisfaction.

DIGICARE has built one of the most efficient, skilled and highly professional service infrastructures in the country and provides end-to-end product life cycle support.

DIGICARE has embarked on a journey of consolidation and improving customer experience through a new model of service network that offers faster turnaround of customer service.

Through its easy-to-access DTAC contact center and a wide network of Partners across the country, DIGICARE has implemented a lean and yet efficient service model where the defective products are swapped with good units at the customer touch points instead of repairing them. This network is supported in the backend by the state of the art Repair Hubs at Goa which ensures the repair quality standards are maintained. With this new service management model, DIGICARE is all set to provide the best possible after sales support to DIGISOL and help making DIGISOL the most preferred product.

Awards and Recognitions

The Digisol brands received several notable awards during the years:

- 'INNOVATIVE PASSIVE NETWORKING PRODUCTS BRAND' Award - NCN - Special Award 2017
- 'BEST FTTN CPE' Award - NCN - Editor's Choice 2017
- 'Best Make in India Wi-Fi Company' Award at My India Wi-Fi Summit & Awards 2017
- 'Best Innovation in SCS Products' - VARINDIA Star Nite Award 2017
- 'Best Quality Structured Cabling Brand' - DT Award 2017
- 'Best Make In India Wireless Router Brand' - DT Award 2017

SYNEGRA EMS LIMITED

Synegra is a wholly owned manufacturing subsidiary of Smartlink Holdings Limited, it has a state-of-the-art manufacturing facility in Goa which is highly flexible and versatile and can deliver products of global quality.

Synegra provides contract manufacturing services to Digisol Systems Ltd. as well as other electronic brands and companies.

TELESMART SCS LIMITED

Telesmart is a subsidiary of Smartlink Holdings Limited and engaged in the business of manufacturing a wide range of Structured Cabling Systems (SCS) products. The Company has its manufacturing facility at Verna, Goa and is in the business of developing, and manufacturing of copper and fiber range of cabling products. The focus of the Company is on contract manufacturing of various structured cabling products in both copper and fiber range. Telesmart's cabling portfolio includes end-to-end cabling solution (Cat 5e, Cat 6 & Cat6A), Patch Panels, Patch Cords and Face Plates. The fiber range includes Fiber Patch Cords, Pig Tails and LIU's.

FINANCIAL PERFORMANCE

(i) Standalone Financial

In the financial year 2017-18, the Company achieved an Income from operations of ₹1805.65 lakhs as compared to ₹2164.21 lakhs in the previous year.

Profit after tax was ₹1100.20 lakhs for the year ending 31st March, 2018 as compared to Profit after tax of ₹517.27 lakhs in the previous year.

(ii) Consolidated Financial

In the financial year 2017-18, the group achieved an Income from operations of ₹9742.33 lakhs as compared to ₹10373.82 lakhs in the previous year.

Loss after tax was ₹322.27 lakhs for the year ending 31st March, 2018 as compared to Loss after tax of ₹971.25 lakhs in the previous year.

HUMAN RESOURCES

Smartlink and its subsidiaries are equal-opportunity employers and human values from the backbone of the organization.

Our Values at work:

- An ethical, value based approach
- Careers that offer learning opportunities
- Growth and feeling of sense of accomplishment
- Performance oriented
- Combination of hard work and customer orientation

We have always focused on developing the employees and enhancing their capabilities. The key element of our Human Resource strategy is to provide a working environment that encourages innovation, enhances work satisfaction and builds a merit-driven organization. The organisation's human resource vision is to create a committed workforce through people-enabling processes and knowledge sharing practices based upon its value system. As on 31st March, 2018, the Company had 23 employees. Smartlink's future success will depend, in part, on our ability to continue to attract, retain and motivate highly qualified technical and management personnel, for whom competition is intense.

RISK FACTORS

In the event of a severe global slowdown, falling external demand would exert a powerful drag on Asia's economies including India, impacting company's prospects.

Smartlink invests in various financial instruments like mutual fund, bonds, Non-convertible debentures and other securities and thus Smartlink is exposed to credit risk, market risk and interest rate risk.

While the outlook for IT services relatively unchanged continued hesitation among buyers may foster hyper competition and cost pressure in mature IT Outsourcing (ITO) segments and relocation of budget away from new projects in consulting and implementation. This would have a consequent downstream impact.

The likelihood of Indian telecom operators investing a significantly lower proportion of their revenues over the next two years than their Chinese, Indonesian and Philippine counterparts even though the Indian, Chinese, Philippines and Indonesian telecom markets are at approximately the same stage of data penetration.

The risk of technological obsolescence is very high in the segments where the company's subsidiaries operates. Moreover, the technological advancements are dictated by the large OEM players. On the other hand, we need to continuously invest to keep launching new products to enhance reach and reputation amongst customers and channel partners.

The company's subsidiaries are exposed to fluctuations in foreign currency, in particular the movement of US dollar vis-à-vis the Indian Rupee. We import more than 90% of our components where the payment is in US Dollars.

In today's constantly changing markets, companies may opt to maintain and grow sales by selling at competitive prices. Products have become commoditized over time as alternative products become available or the number of suppliers offering the same product increases.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

Smartlink has aligned its current systems of internal financial control with the requirement of Companies Act, 2013. The Internal Control framework is intended to increase transparency and accountability in an organisation's process of designing and implementing a system of internal control. The framework requires the Company to identify and analyse risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness. Smartlink's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

Our management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Listing Regulations 2015) as of 31st March, 2018.

Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Listing Regulations 2015), our audit committee has concluded that, as of 31st March, 2018, our internal financial controls were adequate and operating effectively.

DISCLAIMER

Certain statements made in this report relating to the Company's objectives, projections, outlook, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such estimates or projections etc., whether expressed or implied. Several factors including but not limited to economic conditions affecting demand and supply, government regulations and taxation, input prices, exchange rate fluctuation, etc. over which the Company does not have any direct control, can make a significant difference to the Company's operations. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on any forward looking statements. The MD&A should be read in conjunction with the Company's financial statements included herein and the notes thereto.

Annexure - B

Secretarial Audit Report

For the financial year ended 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

SMARTLINK HOLDINGS LIMITED

(Formerly known as SMARTLINK NETWORK SYSTEMS LIMITED)

L-7, Verna Industrial Estate, Verna,

Salcete, Goa - 403722

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SMARTLINK HOLDINGS LIMITED** (formerly known as **SMARTLINK NETWORK SYSTEMS LIMITED**) (hereinafter called as the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2018 (hereinafter referred to as the "Audit Period") generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (provisions of external commercial borrowing and Overseas Direct Investment not applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (*Not applicable to the Company during the audit period*);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (*Not applicable to the Company during the audit period*);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (*Not applicable to the Company during the audit period*);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (*Not applicable to the Company during the audit period*); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- vi. The following laws and Regulations applicable specifically to the Company (as per the representations made by the Company) viz.,
 - a) RBI regulations for Non-Banking Financial Companies to the extent applicable.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Secretarial Audit Report

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, including Women Director as prescribed. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. The Executive Chairman Mr. K.R. Naik attained the age of 70 during the year under review and the Company has proposed to pass resolution pursuant to Sec 196 in the ensuing Annual General Meeting.

Adequate notice is given to all directors to schedule the Board Meetings including committees thereof along with agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the Directors.

The decisions were carried unanimously.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

- a. the company is registered as a Non Banking Financial Company under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934.
- b. at their meeting held on February 22, 2018 the Board of Directors approved the proposal to change main objects and name of the Company subject to necessary approvals. Since then the approvals have been taken and the changes have been effected.

Shivaram Bhat

Place : Panaji, Goa
Date : 11th May, 2018

Practising Company Secretary
ACS No. 10454, CP No. 7853

This Report is to be read with my letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

‘ANNEXURE A’

(My report of even date is to be read along with this Annexure)

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Whereever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Shivaram Bhat

Place : Panaji, Goa
Date : 11th May, 2018

Practising Company Secretary
ACS No. 10454, CP No. 7853

Annexure - C

Report on Corporate Governance

The detailed report on Corporate Governance as per the requirements of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "Listing Regulations"] is set out below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to attain high level of transparency and accountability in the functioning of the Company and in its relationship with employees, shareholders, creditors, consumers, dealers, lenders and ensuring high degree of regulatory compliances.

The Company also believes that its systems and procedures will enhance corporate performance and maximize shareholder's value in the long term.

2. BOARD OF DIRECTORS

A. Composition and Category of Directors

The present Board comprises of 7 members consisting of 1 Executive Director and 6 Non-Executive Directors out of which 5 are Independent Directors and 1 Non Executive Non Independent Director (Woman Director). The Company has an Executive Chairman.

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2018 have been made by the Directors. None of the Directors are related to each other except Mr. K. R. Naik and Ms. Arati Naik.

B. Category and attendance of Directors

Details of attendance of Directors at the Board meetings and at the last Annual General Meeting with particulars of their Directorship and Chairmanship/Membership of Board / committees in other Companies are as under:

Name of the Director	Category*	No. of Board Meeting attended during 2017-18	Attendance of AGM held on 12 th August, 2017	No. of other Directorships (As on 31.03.2018) #	No. of Committee Positions in Mandatory Committee@	
					Member	Chairman
Mr. Kamalaksha Naik	EC	4	Yes	2	Nil	Nil
Mr. Krishnanand Gaonkar	NED and IND	5	Yes	2	Nil	Nil
Mr. Pankaj Baliga	NED and IND	4	Yes	1	Nil	Nil
Mr. Pradeep Pande	NED and IND	2	Yes	1	Nil	Nil
Mr. Bhanubhai Patel	NED and IND	4	Yes	1	Nil	Nil
Mr. Pradeep Rane	NED and IND	4	No	1	Nil	Nil
Mr. Jangoo Dalal**	NED and IND	3	Yes	NA	Nil	Nil
Ms. Arati Naik	NED and Non - IND	4	Yes	2	Nil	Nil

* EC: Executive Chairman,

NED and IND: Non-Executive Director and Independent Director

NED and Non -IND: Non-Executive Director and Non - Independent Director

Excludes Directorships in Private and Foreign companies

@ In accordance with Regulation 72 of Listing Regulations, Membership/Chairmanship of only Audit Committee and Stakeholders Relationship Committee in all companies (excluding Smartlink Holdings Ltd) have been considered

** Resigned from the directorship of the Company w.e.f 2nd January, 2018 and number of Board meetings attended are 3 upto the date of resignation.

The Company held 5 Board Meetings during the Financial Year 2017-18 on 17th May, 2017, 11th August, 2017, 1st November, 2017, 31st January, 2018 and 22nd February, 2018 and the gap between the two meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

C. Board Training and Induction

At the time of appointment of an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, 2013, Regulation 72 of Listing Regulations and other relevant regulations and his affirmation taken with respect to the same.

D. Board Agenda

The Board meetings are scheduled well in advance and the Board members are generally given a notice of at least 7 days prior to the meeting date. All major items are backed by in-depth background information and analysis, wherever possible, to enable the Board members to take informed decisions. The information as required under Part A of Schedule II pursuant to Regulation 17 of Listing Regulations is made available to the Board.

The Independent Directors of the Company at their meeting held on 17th May, 2017 expressed their satisfaction on the quality, quantity and timeliness on flow of information between the Company management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

E. Details of Equity shares of the Company held by the Directors as on 31st March, 2018 are given below:

Name	Category	Number of equity shares
Mr. Krishnanand Gaonkar	Independent, Non Executive	41,925
Mr. Pankaj Baliga	Independent, Non Executive	NIL
Mr. Pradeep Rane	Independent, Non Executive	NIL
Mr. Bhanubhai Patel	Independent, Non Executive	NIL
Mr. Pradeep Pande	Independent, Non Executive	NIL
Ms. Arati Naik	Non Independent, Non Executive	22,55,000

3. COMMITTEES OF BOARD

With a view to have better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

A. AUDIT COMMITTEE

With a view to have better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee

1. Terms of reference**a) As per the Companies Act, 2013**

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters

b) As per Regulation 18 of Listing Regulations, 2015**i. Powers of Audit Committee**

The Audit Committee shall have powers, which should include the following:

The Audit Committee shall have powers to investigate any activity within its terms of reference, seek information

from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary

ii. Role of the audit committee and review of information by Audit Committee

The role of the Audit Committee shall include the following:

The role of the Audit Committee shall include the following:

- a) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - A. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134
 - B. changes, if any, in accounting policies and practices and reasons for the same;
 - C. major accounting entries involving estimates based on the exercise of judgment by management;
 - D. significant adjustments made in the financial statements arising out of audit findings;
 - E. compliance with listing and other legal requirements relating to financial statements;
 - F. disclosure of any related party transactions;
 - G. modified opinion(s) in the draft audit report;
- e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- h) approval or any subsequent modification of transactions of the listed entity with related parties;
- i) scrutiny of inter-corporate loans and investments;
- j) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- k) evaluation of internal financial controls and risk management systems;
- l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) discussion with internal auditors of any significant findings and follow up there on;
- o) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) to review the functioning of the whistle blower mechanism;
- s) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

iii. The audit committee shall mandatorily review the following information:

- a) management discussion and analysis of financial condition and results of operations;

- b) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) internal audit reports relating to internal control weaknesses; and
- e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) statement of deviations:
 - A. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - B. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

2. Composition and Attendance of Members of Audit Committee at the Meetings held during the year

Members	Category of Director	No. of meetings attended
Mr. Pankaj Baliga - Chairman	Independent, Non Executive	3
Mr. Krishnanand Gaonkar - Member	Independent, Non Executive	4
Mr. Pradeep Rane - Member	Independent, Non Executive	3
Mr. Bhanubhai Patel - Member	Independent, Non Executive	3

The Audit Committee met 4 times during the year and the gap between two meetings did not exceed 120 days. The Audit Committee meetings held on 17th May, 2017; 11th August, 2017; 1st November, 2017 & 31st January, 2018. Necessary quorum was present at the above meetings. The representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Audit Committee.

All the Members of the Audit Committee have requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. All the Directors on the Committee are financially literate and Mr. Krishnanand Gaonkar has expertise in Finance.

All the recommendations of the Audit Committee have been accepted by Board of Directors.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 12th August, 2017.

B. NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee as required under section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of Listing Regulations 2015.

1. Terms of Reference

The Nomination and Remuneration Committee was formed with the responsibility for determining the remuneration for all executive directors and KMP's, including any compensation payments, such as retirement benefits or stock options and also to determine principles, criteria and the basis of remuneration policy of the company and shall also recommend and monitor the level and structure of pay for senior management, i.e. one level below the Board.

2. Nomination and Remuneration Committee shall perform the following role

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

- v. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

3. Composition and Attendance of Members of Nomination and Remuneration Committee at the Meetings held during the year

Members	Category of Director	No. of meetings attended
Mr. Krishnanand Gaonkar - Chairman	Independent, Non Executive	2
Mr. Pradeep Rane - Member	Independent, Non Executive	2
Mr. Pankaj Baliga - Member	Independent, Non Executive	2
Mr. Jangoo Dalal - Member*	Independent, Non Executive	1
Mr. Pradeep Pande - Member	Independent, Non Executive	0

*Retired as Independent Non Executive Director and consequently ceased to be a member of the Nomination and Remuneration Committee w.e.f. 2nd January, 2018

During the Financial Year 2017-18 the Committee met two times on 17th May, 2017 & 17th October, 2017.

The Chairman of NRC Committee was present at the Annual General Meeting of the Company held on 12th August, 2017.

4. Nomination and Remuneration Policy

- The Company formulated a Nomination and Remuneration Policy to lay down criteria and terms and condition with regards to identifying persons who are qualified to become Directors (Executive and Non Executive) and persons who are qualified to be appointed in Senior Management and Key Managerial Positions and to determine their remuneration.
- To carry out evaluation of the performance of Directors' as well as Key Managerial and Senior Managerial Personnel.

5. The remuneration paid to the Directors for the year ended 31st March, 2018 is given below:

i) Executive Director

Executive Director	Salary, Contribution to P.F, Perquisites & Commission
Mr. Kamalaksha Naik - Executive Chairman	Nil

Salient features of the Terms of Appointment

Particulars	Mr. Kamalaksha Naik
Salary as per 2017 AGM	₹625,000/- per month of which 50% will be fixed pay.
Perquisites	None
Commission	Nil
Variable/Performance Pay	Variable Pay/Performance Bonus shall be 50% of the consolidated remuneration.
Terms of Appointment	Re-appointed for a period of three years with effect from 26 th December, 2016.
Notice Period	Either party may terminate the appointment by giving the other party three months notice in writing.
Severance Fees	None

ii. Non-Executive Directors

In accordance with the resolution passed at the Annual General Meeting held on 5th August, 2016 the shareholders approved the payment of commission not exceeding 1% of the net profits of the Company to Non-Executive Directors. The Company has not paid any commission during the current year.

iii. Details of sitting fees paid / to be paid to the Non-Executive Independent Directors for the period under review are as under:

Non-Executive Directors	Sitting Fees (₹)
Mr. Krishnanand Gaonkar	5,55,000
Mr. Pankaj Baliga	5,55,000
Mr. Pradeep Rane	4,50,000
Mr. Jangoo Dalal*	2,00,000
Mr. Bhanubhai Patel	4,50,000
Mr. Pradeep Pande	1,00,000
Ms. Arati Naik	Nil

*Resigned from the directorship of the Company w.e.f. 2nd January, 2018

6. Details of other pecuniary relationship / transactions of Non-Executive Directors vis-à-vis the Company

There were no pecuniary relationship/transactions of Non-Executive Directors with the Company.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Investors Grievance Committee has been constituted as required under Section 178 (5) of the Companies Act, 2013 and Regulation 20 of Listing Regulations.

1. Terms of reference

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

2. Composition and Attendance of Members at the Meetings held during the year

Members	Category of Director	No. of meetings attended
Mr. Pankaj Baliga - Chairman	Independent, Non Executive	1
Mr. Kamalaksha Naik - Member	Executive Chairman	1
Mr. Krishnanand Gaonkar - Member	Independent, Non Executive	1

a) During the year the meeting of the Stakeholders Relationship Committee was held on 31st January, 2018.

b) Name and Designation of Compliance Officer - Ms. Urjita Damle, Company Secretary.

c) Details of investors complaints received and redressed during the year 2017-18 are as follows:

Opening Bal	Received During the year	Resolved during the year	Closing Balance
NIL	38	38	NIL

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013 the Board has constituted a Corporate Social Responsibility (CSR) Committee.

1. Terms of reference

CSR Committee is primarily responsible for formulating and monitoring the implementation of the CSR Policy of the Company.

2. Composition and Attendance of Members at the Meetings held during the year

Members	Category of Director	No. of meetings attended
Mr. Bhanubhai Patel - Chairman	Independent, Non Executive	2
Mr. Kamalaksha Naik - Member	Executive Chairman	2
Mr. Pankaj Baliga - Member	Independent, Non Executive	2

The Company has also formulated a CSR Policy and the same is displayed on the website of the Company. During the year the meeting of the CSR Committee was held on 17th May, 2017 and 31st January, 2018.

4. INDEPENDENT DIRECTORS

A. Formal Letter of Appointment to Independent Directors:

The Company has issued a formal letter of appointment to all Independent Directors in accordance with the provisions of the Companies Act, 2013 and Listing Regulations. The terms and conditions of appointment of Independent Directors is uploaded on the website of the company.

B. Independent Directors' Meeting

During the year, the Independent Directors of the Company met on 17th May, 2017, inter alia, to:

1. review the performance of non-independent directors of the Company;
2. review the performance of the Board as a whole
3. review the performance of the Chairperson of the company,
4. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

C. Independent Directors' Familiarization Programme

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulates that:

The Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

The Company has adopted the familiarization programme for Independent Directors and the details of which are uploaded on the website of the Company at <http://smartlinkholdings.com/wp-content/uploads/2018/02/7.-Smartlink-Independent-Directors-Familiarization-Programme.pdf>

5. BOARD DIVERSITY POLICY

The Company in compliance with Listing Regulations has formulated a policy on Board diversity which sets out the framework to promote diversity on Company's Board of Directors. The policy was recommended by Nomination and Remuneration Committee and approved by the Board.

6. PERFORMANCE EVALUATION POLICY

The Company in compliance with Section 134 (3) (p) of the Companies Act, 2013 and Listing Regulations has formulated a Performance Evaluation Policy which sets out the framework in which the Board of Directors shall conduct formal annual evaluation of its own performance and that of the Committees and individual Directors. The policy was recommended by Nomination and Remuneration Committee and approved by the Board.

During the year the annual performance evaluation has been carried out of all the Directors, the Board, Chairman of the Board and the working of the Audit Committee, Nomination and Remuneration Committee and other Committees. The performance evaluation policy of the Board of Directors was carried out based on the detailed questionnaire containing criteria such as duties and responsibilities of the Board, information flow to the Board, time devoted to the meetings, etc. Similarly, the Director's evaluation was carried out on the basis of questionnaire containing criteria such as level of participation by individual directors, independent judgement by the director, understanding of the Company's business, etc., The performance evaluation of the Board and the Committees, viz., Audit Committee, Nomination and Remuneration Committee was done by all the Directors. The performance evaluation of the Independent Directors was carried out by the Board excluding the Director being evaluated. The performance evaluation of the Executive Chairman was carried out by the Independent Directors. The Directors expressed their satisfaction over the entire evaluation process.

7. RISK MANAGEMENT POLICY

In accordance with the provisions of the Companies Act, 2013 and the Listing Regulations, Company has formulated a Risk Management Policy. The Board shall from time to time monitor and review the said policy.

8. DISCLOSURES

A. Related Party Transactions

All related party transactions (RPTs) which were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and did not attract provisions of section 188 of the Companies Act, 2013 and were also not material RPTs under Regulation 23 of Listing Regulations.

A Policy on materiality of RPTs and also on dealing with RPTs has been formulated by the Board and the same is placed on <http://smartlink.co.in/wp-content/uploads/2014/10/Related-Party-Transaction-Policy.pdf>

B. Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any other statutory authority on any matters related to capital markets during the last three years.

- C. The company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied the access to the Chairman of the Audit Committee.
- D. The Company has complied with all the mandatory requirements as stated in Regulation 72 of Listing Regulations and Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as applicable, with regards to Corporate Governance.
- E. There is no pecuniary or business relationship between the Non-Executive/Independent Directors and the Company, except for the payment of sitting fees for attending Board and Committee Meeting in accordance with the applicable laws. A declaration to this effect is also submitted by all the Directors at the beginning of each year financial year.
- F. Details of foreign currency exposure and hedging – None.

9. CODE OF CONDUCT

The Company has adopted a Code of Conduct' for the Directors and Senior Management of the Company. Regulation 17(5)(b) of Listing Regulations requires that the code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013. Hence duties of Independent Directors were included in Smartlink Code of Conduct. The revised Code of Conduct has been uploaded on the website of the Company. The code promotes conducting the business in an ethical, efficient and transparent manner so as to meet its obligations to its shareholders and all other stakeholders.

10. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

11. SUBSIDIARY COMPANIES

Provisions to the extent applicable as required under Regulation 24 of the Listing Regulations with reference to subsidiary companies were duly complied. The Company monitors the performance of wholly owned unlisted subsidiary companies.

The Company's Audit Committee reviews the Financial Statement of the Subsidiaries, including the Investments made by the Subsidiaries. The Minutes of the Board Meetings, along with the report of significant transactions and arrangements of the unlisted subsidiaries of the Company are placed before the Board of Directors of the Company.

The Company has formulated a policy for determining material Subsidiaries and the Policy is disclosed on the Company's website <http://smartlinkholdings.com/wp-content/uploads/2018/02/11.-Smartlink-Subsidiary-Policy.pdf>

12. GENERAL BODY MEETING

A. Location and time, where last three AGMs were held

Location	Date	Time
L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722	12 th August, 2017	11.00 a.m.
	05 th August, 2016	11.00 a.m.
	14 th August, 2015	11.00 a.m.

B. Special Resolutions Passed

Whether Special Resolution passed at the last Annual General Meeting held on 12 th August, 2017	No
Whether Special Resolution passed at the last Annual General Meeting held on 5 th August, 2016 i. Re-appointment of Mr. K. R. Naik as an Executive Chairman of the Company for a further period of three years with effect from 26 th December, 2016. ii. Payment of commission to Non - Executive Directors of the Company not exceeding one percent per annum of the net profits of the Company	Yes
Whether Special Resolution passed at the last Annual General Meeting held on 14 th August, 2015 i. Alteration of Articles of Association of the Company	Yes

C. Details of Special resolutions passed through Postal Ballot during the year

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated 22nd February, 2018 for the following items:

1. Change in Name of the Company
2. Alteration in the Object Clause of the Memorandum of Association
3. Alteration in the Memorandum of Association of the Company as per the Format of the Companies Act, 2013 which was duly passed and the results were announced on 4th April, 2018. Mr. Shivaram Bhatt, Practicing Company Secretary (Membership No. 7853) was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

D. Details of special resolution proposed to be conducted through Postal Ballot.

None

E. Procedure for Postal Ballot

Not Applicable

13. MEANS OF COMMUNICATION

Quarterly Results	Published in Newspapers
Newspapers in which normally published	Financial Express, The Times of India (in English) and Gomantak / Pudhari (in Marathi)
Any website, where displayed	www.smartlink.co.in
Whether it also displays official News releases	Yes
The presentations made to Institutional Investors or to the Analysts	Not Applicable

14. GENERAL SHAREHOLDER INFORMATION**A. Annual General Meeting**Date : 7th August, 2018, Tuesday

Time : 11.00 a.m.

Venue : L-7, Verna Industrial Estate, Verna, Salcete, Goa – 403722

B. Financial CalenderThe Company's financial year begins on April 1st and ends on March 31st every year.

Particulars	Date
First Quarter Results	On or before 14 th August, 2018
Second Quarter Results	On or before 14 th November, 2018
Third Quarter Results	On or before 14 th February, 2019
Fourth Quarter Results	On or before 30 th May, 2019

C. Dates of Book ClosureTuesday 24th July, 2018 to Tuesday 31st July, 2018 (both days inclusive)**D. Dividend payment date**

Not Applicable

E. Listing on Stock ExchangesThe shares of the Company are listed on following Stock Exchanges from 11th April, 2001. The listing fees for the financial year 2017-18 to both the Stock Exchanges have been paid.

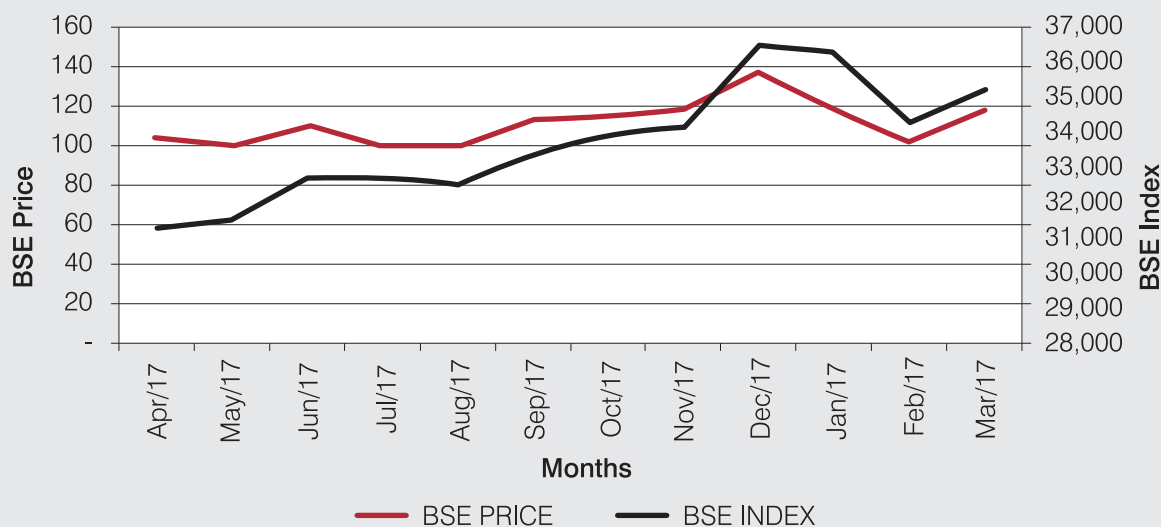
Name & Address of the Stock Exchanges	Stock Code/Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	532419	INE 178C01020
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400051	SMARTLINK	

F. Market Price Data

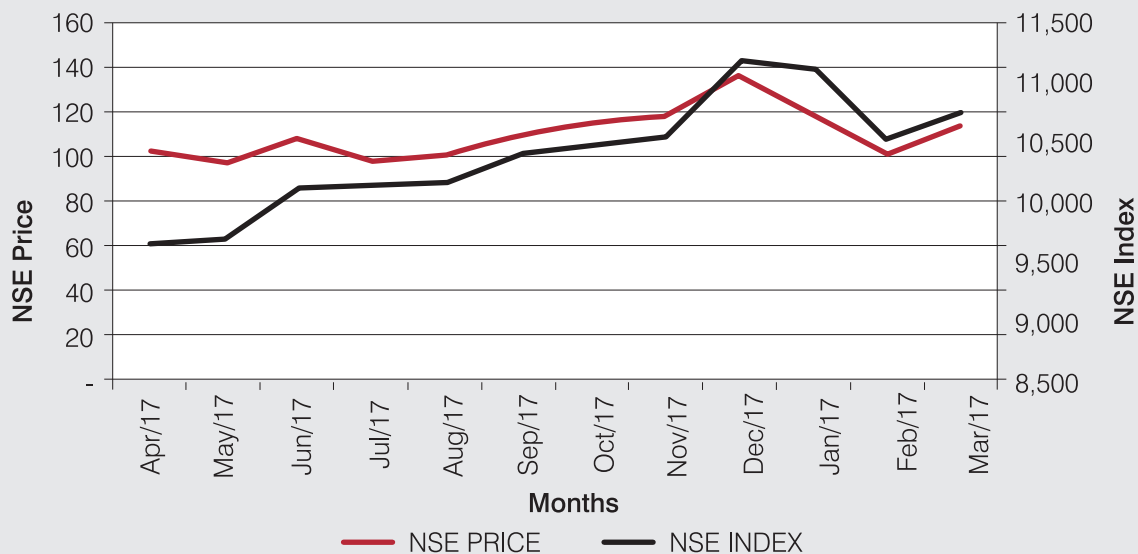
Stock High / Low price during each month in the last financial year 2017-2018 and Performance in comparison to broad-based indices viz., BSE Sensex and NSE Nifty:

Month	Smartlink on BSE		BSE Index		Smartlink on NSE		NSE Index	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
April, 17	105.00	98.40	30,184.22	29,241.48	105.25	97.60	9,367.15	9,075.15
May, 17	103.00	87.15	31,255.28	29,804.12	103.20	88.00	9,649.60	9,269.90
June, 17	99.70	88.70	31,522.87	30,680.66	99.00	89.00	9,709.30	9,448.75
July, 17	110.00	93.05	32,672.66	31,017.11	108.05	93.15	10,114.85	9,543.55
Aug, 17	98.90	85.10	32,686.48	31,128.02	98.80	83.95	10,137.85	9,685.55
Sept, 17	101.00	90.00	32,524.11	31,081.83	100.90	88.60	10,178.95	9,687.55
Oct, 17	113.00	95.00	33,340.17	31,440.48	109.85	97.35	10,384.50	9,831.05
Nov, 17	114.90	95.20	33,865.95	32,683.59	115.00	95.00	10,490.45	10,094.00
Dec, 17	119.00	97.50	34,137.97	32,565.16	118.70	96.00	10,552.40	10,033.35
Jan, 18	137.00	107.05	36,443.98	33,703.37	137.00	107.20	11,171.55	10,404.65
Feb, 18	118.65	96.00	36,256.83	33,482.81	118.45	95.00	11,117.35	10,276.30
March, 18	102.00	80.00	34,278.63	32,483.84	102.35	80.40	10,525.50	9,951.90

Stock Performance on BSE



Stock Performance on NSE



G. Registrar and Share Transfer Agents

Karvy Computershare Private Limited
Unit: Smartlink Holdings Limited
Karvy Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032
Tel: +91 4067162222, Fax: +91 4023001153, Toll Free: 1800-345-4001
Email: einward.ris@karvy.com

H. Share Transfer System

Trading in equity shares of the Company is permitted only in dematerialized form.

Shares sent for transfer in physical form are normally processed within a period of 15 days of receipt of the documents, provided all documents are valid and complete in all respects.

There were no share Transfers during the year.

I. Unclaimed dividend

Section 124 of the Companies Act, 2013, read with Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), mandates that Companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to Investors Education and Protection Fund (IEPF). Further, the Rules mandate that the shares on which dividend has not been paid or claimed for seven consecutive years or more be transferred to the IEPF.

- a) The following table provides a list of years for which unclaimed dividends and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned below:

Financial Year Ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2011	30.07.2011	29.07.2018	28.08.2018
31.03.2012	28.07.2012	27.07.2019	26.08.2019
31.03.2013	27.07.2013	26.07.2020	25.08.2020
31.03.2014	26.07.2014	25.07.2021	24.08.2021
31.03.2015	14.08.2015	13.08.2022	12.09.2022
31.03.2017	12.08.2017	11.08.2024	10.09.2024

- b) Equity shares in the suspense account

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in suspense account are as follows:

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 st April, 2017	NIL	NIL
Shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
Shareholders to whom shares were transferred from the suspense account during the year	NIL	NIL
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	54	3361
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	54	3361

The voting rights on the shares outstanding in the suspense account as on 31st March, 2018 shall remain frozen till the rightful owner of such shares claims the shares

J. Shareholding as on 31st March, 2018**a. Distribution of Shareholding as on 31st March, 2018**

Sr. No.	Category (Shares) From – To	Number of Shareholders	No. of Shares	% To Equity Capital
1.	1 - 500	11,857	1,481,070	6.57
2.	501 - 1000	773	629,875	2.79
3.	1001 - 2000	367	566,862	2.51
4.	2001 - 3000	129	326,719	1.45
5.	3001 - 4000	40	143,614	0.64
6.	4001 - 5000	45	217,159	0.96
7.	5001 - 10000	74	568,955	2.52
8.	10001 and above	67	18,615,746	82.55
	Total	13,352	22,550,000	100.00

b. Shareholding Pattern as on 31st March, 2018

Sr. No.	Category of Shareholders	Total Holdings	Holdings in %
1.	Shareholding of Promoter and Promoter Group	16,786,815	74.44
2.	Financial Institutions / Banks/ Trusts	32,494	0.14
3.	Bodies Corporate	1,131,654	5.02
4.	Individuals	4,221,260	18.72
5.	Clearing Members	27,206	0.12
6.	NRI's	114,630	0.51
7.	IEPF	3,361	0.01
8.	HUF	232,580	1.03
	Total	22,550,000	100.00

K. Global Depository Receipts (GDR) or any Convertible instruments, conversion dates and likely impact on Equity

N.A

L. Dematerialization of Shares and Liquidity

The total number of shares in dematerialized form as on 31st March, 2018 is 22,532,790 representing 99.92% of the total number of shares of the Company.

The equity shares of the Company are actively traded on BSE and NSE.

M. Plant Location

Not Applicable.

N. Address for Correspondence

Shareholders Correspondence should be addressed to:

The Company Secretary
Smartlink Holdings Limited
L-7, Verna Industrial Estate, Verna,
Salcete, Goa- 403 722, India.
Phone No.: 0832-2885450/451
Fax No: 0832-2783395
Email: Company.Secretary@smartlink.co.in

Karvy Computershare Private Limited
Unit: Smartlink Holdings Limited
Registrar and Transfer Agent
Karvy Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad – 500 032
Tel: +91 4067162222, Fax: +91 4023001153,
Toll Free: 1800-345-4001
Email: einward.ris@karvy.com

Annexure - D

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY SMARTLINK HOLDINGS LIMITED (formerly known as SMARTLINK NETWORK SYSTEMS LIMITED)

To the members of **SMARTLINK HOLDINGS LIMITED (formerly known as SMARTLINK NETWORK SYSTEMS LIMITED)**

I have examined the compliance with conditions of Corporate Governance by SMARTLINK HOLDINGS LIMITED (formerly known as SMARTLINK NETWORK SYSTEMS LIMITED) (the Company) under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") for the year ended 31st March 2018.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the LODR Regulations. This Certificate is issued pursuant to the requirements of Schedule V (E) of the LODR Regulations.

The compliance with conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures adopted, and implementation thereof, by the Company for ensuring compliance with the condition of Corporate Governance under LODR Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Panaji, Goa
Date : 11th May, 2018

Shivaram Bhat
Practising Company Secretary
ACS No. 10454 & CP No. 7853

Annexure - E

DECLARATION BY EXECUTIVE CHAIRMAN

[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Mr. K. R. Naik, Executive Chairman of Smartlink Holdings Limited, hereby declare that the Company has in respect of the financial year ended 31st March, 2018, received from all the members of the Senior Management of the Company and the Board, a declaration for compliance with the code of conduct of the Company as provided under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Mumbai, dated: 11th May, 2018

For Smartlink Holdings Limited

K. R. Naik
Executive Chairman
DIN: 00002013

Annexure - F

FORM NO. MGT. 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]
I. REGISTRATION AND OTHER DETAILS

CIN	L67100GA1993PLC001341
Registration Date	31 st March, 1993
Name of the Company	Smartlink Holdings Limited (Formerly known as Smartlink Network Systems Limited)
Category/Sub-Category of the Company	Company having share capital
Address of the Registered office and contact details	L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722 Tel. No.: 0832-2885400
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computershare Private Limited Unit: Smartlink Holdings Limited Karvy Selenium Tower B, Plot No. 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Tel: +91 40 67161500 Toll Free No: 18003454001 Email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Investment	6430	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Digisol Systems Limited	U31909GA2016PLC012970	Subsidiary	100	2(87)
2	Synegra EMS Limited	U31909GA2016PLC012969	Subsidiary	100	2(87)
3	Telesmart SCS Limited	U31900GA2016PLC013046	Subsidiary	80	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of shareholding at the beginning of the year				No. of shareholding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Shares	Demat	Physical	Total	% of Shares	
Promoters									
Indian									
Individuals/Hindu Undivided Family	16,393,385	0	16,393,385	72.70	16,786,815	0	16,786,815	74.44	1.74
Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of shareholding at the beginning of the year				No. of shareholding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Shares	Demat	Physical	Total	% of Shares	
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Nil	-	-	-	-	-	-	-	-	-
Nil	-	-	-	-	-	-	-	-	-
Sub Total(A)(1)	16,393,385	0	16,393,385	72.70	16,786,815	0	16,786,815	74.44	1.74
Foreign									
Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Nil	-	-	-	-	-	-	-	-	-
Nil	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	16,393,385	0	16,393,385	72.70	16,786,815	0	16,786,815	74.44	1.74
Public shareholding									
Institutions									
Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
Financial Institutions/Banks	16,888	0	16,888	0.07	31,794	0	31,794	0.14	0.07
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
Foreign Institutional Investors	1,641	0	1,641	0.01	0	0	0	0	(0.01)
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Any Other (specify)	0	0	0	0	0	0	0	0	0

Smartlink Holdings Limited

(Formerly known as Smartlink Network Systems Limited)

Category of Shareholders	No. of shareholding at the beginning of the year				No. of shareholding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Shares	Demat	Physical	Total	% of Shares	
Nil	-	-	-	-	-	-	-	-	-
Nil	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	18,529	0	18,529	0.08	31,794	0	31,794	0.14	0.06
Non-institutions									
Bodies Corporate	966,550	0	966,550	4.29	1,131,654	0	1,131,654	5.02	0.73
Individuals									
Individuals - i. Individual shareholders holding nominal share capital up to ₹1 lakh	4,844,837	17,966	4,862,803	21.56	4,291,630	17,210	4,308,840	19.11	(2.45)
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	145,000	0	145,000	0.64	145,000	0	145,000	0.64	00.00
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Any Other (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indian Non Repatriable	35,182	0	35,182	0.16	42,043	0	42,043	0.19	0.03
Non Resident Indians	88,282	0	88,282	0.39	72,587	0	72,587	0.32	(0.07)
Clearing Members	38,713	0	38,713	0.17	27,206	0	27,206	0.12	(0.05)
NBFC registered with RBI	1,556	0	1,556	0.01	700	0	700	0.00	00.00
IEPF	0	0	0	0	3,361	0	3,361	0.01	0.01
Sub-Total (B)(2)	6,120,120	17,966	6,138,086	27.22	5,714,181	17,210	5,731,391	25.41	(1.81)
Total Public Shareholding (B)=(B)(1)+(B)(2)	6,138,649	17,966	6,156,615	27.30	5,745,975	17,210	5,763,185	25.56	1.79
TOTAL (A)+(B)	22,532,034	17,966	22,550,000	100.00	22,532,790	17,210	22,550,000	100.00	0
Shares held by Custodians and against which Depository Receipts have been issued									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
Sub-Total (C)	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	22,532,034	17,966	22,550,000	100.00	22,532,790	17,210	22,550,000	100.00	0

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mr. Kamalaksha Rama Naik	11,488,272	50.95	0.00	11,488,272	50.95	0.00	0.00
2	Ms. Arati Kamalaksha Naik	2,210,320	9.80	0.00	2,255,000	10.00	0.00	0.20
3	Mrs. Lakshana Amit Sharma	1,342,859	5.96	0.00	1,664,486	7.38	0.00	1.42
4	Mrs. Sudha Kamalaksha Naik	1,100,377	4.88	0.00	1,127,500	5.00	0.00	0.12
5	Kamalaksha Rama Naik (HUF)	251,557	1.12	0.00	251,557	1.12	0.00	0.00
	Total	16,393,385	72.70	0.00	16,786,815	74.44	0.00	1.74

iii) Change in Promoters' Shareholding

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Kamalaksha Naik - Promoter				
	At the beginning of the year	11,488,272	50.95		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)			-	-
	At the end of the year		11,488,272	50.95	
2.	Ms. Arati Naik - Promoter				
	At the beginning of the year	2,210,320	9.80		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)				
	<u>Purchases</u>				
	27.09.2017 16,689				
	28.09.2017 27,991			44,680	0.20
	At the end of the year			2,255,000	10.00
3.	Mrs. Lakshana Amit Sharma - Promoter				
	At the beginning of the year	1,342,859	5.96		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)				
	<u>Purchases</u>				
	28.06.2017 15,219				
	29.06.2017 81,000				
	30.06.2017 790				
	14.09.2017 2,180				
	15.09.2017 2,410				
	18.09.2017 3,990				
	19.09.2017 11,944				
	21.09.2017 8,992				

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	22.09.2017 41,170 25.09.2017 51,974 28.09.2017 80,046 29.09.2017 21,912			321,627	1.42
	At the end of the year			1,664,486	7.38
4.	Mrs. Sudha Kamalaksha Naik – Promoter				
	At the beginning of the year	1,100,377	4.88		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc) <u>Purchases</u> 26.09.2017			27,123	0.12
	At the end of the year			1,127,500	5.00
5.	Kamaksha Rama Naik (HUF) - Promoter				
	At the beginning of the year	251,557	1.12		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)			-	-
	At the end of the year			251,557	1.12

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No	Top Ten Shareholders	Shareholding at the beginning of the year 01.04.2017		Cumulative shareholding at the end of the year 31.03.2018	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Zen Securities Ltd	458,219	2.03	450,410	2.00
2	K.Satish	145,000	0.64	145,000	0.64
3	Ravya Kantheti	60,000	0.27	60,000	0.27
4	Keshav Bhalotia	50,000	0.22	50,000	0.22
5	Chemtech Acids & Chemicals Pvt. Ltd.	46,710	0.21	46,710	0.21
6	IL and FS Securities Services Limited	14,245	0.06	46,450	0.21
7	Kshitij Commodities Pvt Ltd	0	0.00	41,000	0.18
8	HSE Securities Limited	8,255	0.04	40,018	0.18
9	Sanjeev Bhalotia	40,000	0.18	40,000	0.18
10	Narayan Sultania	37,389	0.17	37,389	0.17
11	Rameshwar Lal Kalani*	25,899	0.11	20,890	0.09
12	Axis Bank Limited*	14,234	0.06	19,334	0.09
13	Ashok Kumar Gupta*	15,310	0.07	15,310	0.07

*Not in the list of top 10 shareholders as on 31.03.2018. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 01.04.2017.

Note: The shares of the Company are traded on daily basis and hence the datewise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder. For datewise increase/decrease kindly refer the website of the Company.

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Kamalaksha Naik, Executive Chairman				
	At the beginning of the year	1,14,88,272	50.95		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			-	-
	At the end of the year			1,14,88,272	50.95
2.	Ms. Arati Naik, Non-Executive Director				
	At the beginning of the year	22,10,320	9.80		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)				
	<u>Purchases</u>				
	27.09.2017 16,689				
	28.09.2017 27,991			44,680	0.20
	At the end of the year			2,255,000	10.00
3.	Mr. Krishnanand Gaonkar, Independent, Non-Executive Director				
	At the beginning of the year	41,925	0.19		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)			-	-
	At the end of the year			41,925	0.19
4.	Mr. Pradeep Rane, Independent, Non-Executive Director				
	At the beginning of the year		Nil		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)		Nil		
	At the end of the year		Nil		
5.	Mr. Pankaj Baliga, Independent, Non-Executive Director				
	At the beginning of the year				
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		Nil		
	At the end of the year				

v) Shareholding of Directors and Key Managerial Personnel (contd.)

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	Mr. Bhanubhai Patel, Independent, Non-Executive Director				
	At the beginning of the year	Nil			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)				
	At the end of the year				
7.	Mr. Pradeep Pande, Independent, Non-Executive Director				
	At the beginning of the year	Nil			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)				
	At the end of the year				
8.	K G Prabhu, Chief Financial Officer				
	At the beginning of the year	204	0.00		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)			-	-
	At the end of the year			204	0.00
9.	Urjita Damle, Company Secretary				
	At the beginning of the year	Nil			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc)				
	At the end of the year				

V. INDEBTEDNESS

As on 31st March, 2018, indebtedness of the Company including interest outstanding/accrued, but not due is nil.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Remuneration to Managing Director, Whole-time Directors and/or Manager (₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total
		Mr. K. R. Naik, Executive Chairman (Wholetime Director)	
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- as % of profit	Nil	Nil
	- others, specify	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total (A)	Nil	Nil
	Ceiling as per the Act		75.00

ii. Remuneration to other directors (₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total
INDEPENDENT DIRECTORS								
		Mr. Krishnanand Gaonkar	Mr. Pankaj Baliga	Mr. Bhanubhai Patel	Mr. Pradeep Pande	Mr. Pradeep Rane	Mr. Jangoo Dalal*	
i	Fee for attending board/committee meetings	5.55	5.55	4.50	1.00	4.50	2.00	23.10
ii	Commission	-	-	-	-		-	-
iii	Others, please specify	-	-	-	-		-	-
	Total (1)	5.55	5.55	4.50	1.00	4.50	2.00	23.10
OTHER NON-EXECUTIVE DIRECTORS								
		Ms. Arati Naik	-	-	-	-	-	-
i	Fee for attending board/committee meetings	Nil	-	-	-	-	-	-
ii	Commission	Nil	-	-	-	-	-	-
iii	Others, please specify	Nil	-	-	-	-	-	-
	Total (2)	Nil	-	-	-	-	-	0
		Total (B) = (1 + 2)						23.10
		Total Managerial Remuneration						NIL
		Overall Ceiling as per the Act						75.00

* Mr. Jangoo Dalal resigned from the directorship of the Company with effect from 2nd January, 2018.

iii. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer Mr. K. G. Prabhu	Company Secretary Ms. Urjita Damle	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	30.17	11.93	42.10
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	30.17	11.93	42.10

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

During the year 2017-18, there were no penalties / punishment / compounding of offences under the Companies Act, 2013.

Annexure - G

STATEMENT OF PARTICULARS AS PER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- I. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;
- II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sr. No.	Name of the Director / Key Managerial Personnel	Ratio of the remuneration to the median remuneration of the employees	Percentage increase in remuneration
1	Mr. Kamalaksha Naik - Executive Chairman & Promoter	Nil	Nil
2	Mr. Krishnanand Gaonkar - Independent Director	Nil	Nil
3	Mr. Pradeep Rane - Independent Director	Nil	Nil
4	Mr. Pankaj Baliga - Independent Director	Nil	Nil
5	Mr. Jangoo Dalal - Independent Director*	Nil	Nil
6	Ms. Arati Naik - Non-Executive Director & Promoter	Nil	Nil
7	Mr. Bhanubhai Patel - Independent Director	Nil	Nil
8	Mr. Pradeep Pande - Independent Director	Nil	Nil
9	Ms. Urjita Damle - Company Secretary	N.A.	-5.62%
10	Mr. K. G. Prabhu - Chief Financial Officer	N.A.	6.86%

* Mr. Jangoo Dalal resigned from the directorship of the Company w.e.f. 2nd January, 2018

Notes:

- Mr. Krishnanand Gaonkar, Mr. Pradeep Rane, Mr. Pankaj Baliga, Mr. Jangoo Dalal, Mr. Bhanubhai Patel and Mr. Pradeep Pandewere paid sitting fees for attending the Meetings.
- There was no Remuneration paid to Mr. Kamalaksha Naik, Executive Chairman during the Financial year ended 31st March, 2018 as well as for the previous financial year.

III. The percentage increase in the median remuneration of employees in the financial year

18.21%

IV. The number of permanent employees on the rolls of company; as on 31st March, 2018

23

V. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Increase in Managerial remuneration is line with increase in the remuneration paid to the other employees of the Company.

Average percentile change in the salaries of employees other than Key Managerial Personnel is 10.43%.

VI. The key parameters for any variable component of remuneration availed by the directors

Variable payment is made to the Wholetime Director based on his/her performance during the year and as recommended by the Nomination and Remuneration Committee.

VII. Affirmation that the remuneration is as per the remuneration policy of the company.

The Directors affirm that the remuneration is as per the remuneration policy.

Annexure - H

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR Committee has been constituted at the Meeting of the Board of Directors held on 12th November, 2014 in accordance with the provisions of Section 135 of the Companies Act, 2013. CSR policies are to actively contribute to the social and economic development of the Country. In so doing built a better, sustainable way of life, to contribute effectively towards inclusive growth and raise the country's human development index.

The Company has also formulated a CSR Policy and the same is displayed on the website of the Company at: <http://smartlink.co.in/wp-content/uploads/2014/10/Corporate-Social-Responsibility-Policy-Smartlink.pdf>

2. The Composition of the CSR Committee
 - a. Mr. Bhanubhai Patel, Chairman
 - b. Mr. K. R. Naik, Member
 - c. Mr. Pankaj Baliga, Member
3. Average net profit of the company for last three financial years: ₹9,32,33,592 /-
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹18,64,672/-
5. Details of CSR spent during the financial year

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activities identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where the projects or program was undertaken	Amount outlay (budget) project programs wise in ₹	Amount spent on the programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads in ₹	Cumulative expenditure Upto the reporting period in ₹	Amount Spent Direct or through implementing agency
1	Education	Education	Goa and near by areas	2,00,000	2,00,000	2,00,000	Through Implementing Agency – I Create Goa
2	Prime Minister National Relief Fund	Social and economic development of the Country	All over the Country	3,45,000	3,45,000	3,45,000	Contribution to Prime Minister National relief Fund
3	Education	Education	Goa	1,500,000	13,28,837	13,28,837	Towards distribution of various Networking products to Educational Institutions

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Mr. Bhanubhai Patel
Chairman of CSR Committee

Mr. K. R. Naik
Executive Chairman

11th May, 2018, Mumbai

11th May, 2018, Mumbai

Annexure-I

FORM NO. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amount in ₹)

Sr. No	Particulars	Details	Details	Details
1.	Name of the subsidiary	Digisol Systems Limited	Synegra EMS Limited	Telesmart SCS Limited
2.	The date since when subsidiary was acquired	17 th August, 2016	17 th August, 2016	17 th November, 2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
5.	Share capital	160,000,000	45,000,000	36,000,000
6.	Reserves & surplus	(223,621,297)	(30,515,052)	(10,653,904)
7.	Total assets	346,530,704	96,878,189	32,233,583
8.	Total Liabilities	410,152,001	82,393,241	6,887,487
9.	Investments	7,000,000	-	1,638,328
10.	Turnover	818,394,208	70,172,455	43,662,544
11.	Profit / (Loss) before taxation	(116,955,621)	(30,265,375)	(8,097,810)
12.	Provision for taxation	-	-	-
13.	Profit after taxation	(116,955,621)	(30,265,375)	(8,097,810)
14.	Proposed Dividend	-	-	-
15.	Extent of shareholding (In percentage)	100.00	100.00	80.00

Notes: 1. There are no other subsidiaries of the Company

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Details
Latest audited Balance Sheet Date	Not Applicable
Date on which the Associate or Joint Venture was associated or Acquired	
Shares of Associate/Joint Ventures held by the company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding (In percentage)	
Description of how there is significant influence	
Reason why the associate/joint venture is not consolidated	
Net worth attributable to shareholding as per latest audited Balance Sheet	
Profit/Loss for the year	
Considered in Consolidation	
Not Considered in Consolidation	

Note: 1. There are no other associates or joint ventures of the Company

For and on behalf of the Board

Mumbai
Dated: 11th May, 2018

K. R. Naik
Executive Chairman
DIN: 00002013

Annexure - J**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: Smartlink Holdings Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during FY 2017-18. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.
 - a) Name(s) of the related party and nature of relationship: Not Applicable
 - b) Nature of contracts/arrangements/transactions: Not Applicable
 - c) Duration of the contracts / arrangements/transactions: Not Applicable
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
 - f) Date(s) of approval by the Board: Not Applicable
 - g) Amount paid as advances, if any: Not Applicable
 - h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:
 - a) Name(s) of the related party and nature of relationship: Not Applicable
 - b) Nature of contracts / arrangements / transactions: Not Applicable
 - c) Duration of the contracts / arrangements / transactions: Not Applicable
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - e) Date(s) of approval by the Board, if any: Not Applicable
 - f) Amount paid as advances, if any: None

For and on behalf of the Board

Mumbai
Dated: 11th May, 2018

K. R. Naik
Executive Chairman
DIN: 00002013

Independent Auditor's Report

TO THE MEMBERS OF SMARTLINK HOLDINGS LIMITED
(formerly known as Smartlink Network Systems Limited)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Smartlink Holdings Limited (formerly known as Smartlink Network Systems Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements of the Company based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**.
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1) the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements in note 23 to the standalone financial statements;
 - 2) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - 3) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Sharp & Tannan LLP

Chartered Accountants

Firm's Registration No.127145W/W100218

By the hand of

Darryl Frank

Partner

(Membership No.104096)

Place : Mumbai

Date : 11th May, 2018

Annexure A to the Independent Auditor's Report

(Referred to in Paragraph 1 of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is an investment company, and consequently, does not hold any inventory. Accordingly, the provisions of Paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provision of Paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities as applicable.
- (v) According to the information and explanations given to us and the records examined by us, the Company has not accepted any deposits from the public during the year. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Company is not required to maintain the books of accounts pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act.
- (vii) a) According to the information and explanations given to us and records examined by us, the Company has been generally regular in depositing statutory dues relating to investor education and protection fund, income tax, sales tax, goods and service tax, custom duty, value added tax, professional tax, provident fund, employees state insurance, and other statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and records examined by us, the particulars of income tax, sales tax, goods and service tax, value added tax, provident fund, employees state insurance and duty of excise payable as at 31st March, 2018 which have not been deposited on account of a dispute pending, are as under:

Name of the statute	Financial year	Nature of dues	Disputed Amount (in ₹ Lakhs)	Forum where the dispute is pending
The West Bengal VAT Act, 2003	2014-15	Sales tax and interest	51.08	Ld. Joint Commissioner of Sales Tax, Dharamtala Circle, Kolkata
Total			51.08	

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) According to information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments). Accordingly, the Paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such by management.
- (xi) According to the information and explanations given to us, the Company has not paid / provided any managerial remuneration during the year. Accordingly, reporting under clause (xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act and the relevant details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company had not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the Paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. The Company has obtained certificate of registration as non-banking financial institution without accepting deposits under Section 45-IA of the Reserve Bank of India Act, 1934 vide certificate dated 02nd May, 2018.

For Sharp & Tannan LLP

Chartered Accountants

Firm's Registration No.127145W/W100218

By the hand of

Darryl Frank

Partner

(Membership No.104096)

Place : Mumbai

Date : 11th May, 2018

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) of our report of even date)

We have audited the internal financial controls with reference to financial statements of **Smartlink Holdings Limited (formerly known as Smartlink Network Systems Limited)** ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements include those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Sharp & Tannan LLP

Chartered Accountants

Firm's Registration No.127145W/W100218

By the hand of

Darryl Frank

Partner

(Membership No.104096)

Place : Mumbai

Date : 11th May, 2018

Balance Sheet as at 31st March, 2018

Particulars	Note No.	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	45,100,000	45,100,000
(b) Reserves and surplus	4	3,406,548,173	3,350,809,837
		3,451,648,173	3,395,909,837
(2) Non-current liabilities			
(a) Deferred tax liabilities (Net)	35	11,611,505	13,674,274
(b) Other long term liabilities	5	-	95,188
(c) Long-term provisions	6	606,020	251,755
		12,217,525	14,021,217
(3) Current liabilities			
(a) Trade payables	7		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,534,068	11,827,281
(b) Other current liabilities	8	4,083,026	9,530,952
(c) Short-term provisions	9	4,269,264	1,722,230
		17,886,358	23,080,463
Total		3,481,752,056	3,433,011,517
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Property, plant and equipment	10 a	185,910,620	195,796,327
(ii) Intangible assets	10 b	5,150,640	5,691,138
		191,061,260	201,487,465
(b) Non-current investments	11	483,800,000	210,000,000
(c) Long-term loans and advances	12	11,223,148	5,705,784
(d) Other non-current assets	13	5,164,855	-
		691,249,263	417,193,249
(2) Current assets			
(a) Current investments	14	2,723,895,107	2,840,691,505
(b) Cash and bank balance	15	24,300,447	129,625,791
(c) Short-term loans and advances	16	4,849,031	6,701,978
(d) Other current assets	17	37,458,208	38,798,994
		2,790,502,793	3,015,818,268
Total		3,481,752,056	3,433,011,517
See accompanying notes forming part of the Financial Statements	1-41		

In terms of our report attached

For Sharp & Tannan LLP
Chartered Accountants
ICAI Firm Registration No. 127145W/W100218

Darryl Frank
Partner
Membership No. 104096

Mumbai, dated: 11th May, 2018

For and on behalf of the Board

K. R. Naik
Executive Chairman
DIN: 00002013

Urjita Damle
Company Secretary

Mumbai, dated: 11th May, 2018

K. M. Gaonkar
Director
DIN: 00002425

K. G. Prabhu
Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2018

Particulars	Note No.	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
A CONTINUING OPERATION			
I Revenue from operations	18	180,564,521	216,421,183
II Other income	19	29,101,630	25,230,748
III Total Revenue (I + II)		209,666,151	241,651,931
IV Expenses:			
Employee benefits expense	20	16,315,089	41,740,734
Finance costs	21	653,562	1,478,061
Depreciation and amortisation expense	10c	12,786,031	11,989,549
Other expenses	22	35,531,791	68,193,596
Total Expenses		65,286,473	123,401,940
V Profit before exceptional items and tax (III - IV)		144,379,678	118,249,991
VI Exceptional items		-	31,299,446
VII Profit before tax (V + VI)		144,379,678	149,549,437
VIII Tax Expenses			
- Current tax		48,310,000	38,141,333
- MAT credit entitlement		(11,887,188)	-
- Deferred tax	35	(2,062,769)	44,594,300
		34,360,043	82,735,633
IX Profit from continuing operations (after tax) (VII - VIII)		110,019,635	66,813,804
B DISCONTINUED OPERATIONS			
X (Loss) from discontinued operations (before tax)		-	(48,581,928)
XI Tax expense of discontinued operations			
- Current tax		-	(18,425,297)
- Deferred tax		-	(15,069,535)
		-	(33,494,832)
XII (Loss) from discontinued operations (after tax) (X - XI)		-	(15,087,096)
XIII Profit for the year (IX + XII)		110,019,635	51,726,708
XIV Earnings per equity share (Face value of ₹2/- per share)			
Basic and Diluted	34	4.88	2.12
See accompanying notes forming part of the Financial Statements	1-41		

In terms of our report attached

For and on behalf of the Board

For Sharp & Tannan LLP
Chartered Accountants
ICAI Firm Registration No. 127145W/W100218

Darryl Frank
Partner
Membership No. 104096

Mumbai, dated: 11th May, 2018

K. R. Naik
Executive Chairman
DIN: 00002013

Urjita Damle
Company Secretary

Mumbai, dated: 11th May, 2018

K. M. Gaonkar
Director
DIN: 00002425

K. G. Prabhu
Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2018

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
A. Cash flows from operating activities		
Profit before tax	144,379,678	100,967,509
Adjustments for:		
Depreciation and amortisation expense	12,786,031	14,187,872
Loss / (Profit) on fixed assets sold / written off (net)	(190,943)	180,747
Gain on sale of current investment (non-trade) (net)	(88,282,629)	(139,505,223)
Profit on sale of discontinued business (net)	-	(31,299,446)
Excess of cost over fair value of current investments (non-trade) (net)	839,726	(167,954)
Provision for doubtful debts and advances (net)	(751,093)	(1,909,377)
Bad debts written off	-	1,773,092
Sundry balances written off	551,093	334,979
Unrealised exchange differences	(11,944)	4,918
Sundry balances written back	(990)	(297,594)
Finance costs	653,562	1,478,258
Interest income	(88,686,067)	(77,583,620)
Dividend income	(5,057,639)	(4,535,275)
Operating (loss) before working capital changes	(23,771,215)	(136,371,114)
(Increase) in trade receivables	-	(28,233,392)
(Increase) in inventories	-	(85,162,753)
Decrease in loans and advances	835,337	12,180,733
(Decrease) / Increase in trade and other payables	(7,595,746)	65,141,327
Cash (used in) operations	(30,531,624)	(172,445,199)
Direct taxes (paid) (net)	(38,152,004)	(356,804)
Net cash (used in) operating activities	(68,683,628)	(172,802,003)
B. Cash flows from investing activities		
Purchase of fixed assets (Refer note 2)	(2,376,532)	(17,105,117)
Sale of fixed assets	207,649	189,009
Investment in subsidiaries	(23,800,000)	(210,000,000)
Proceeds from redemption of Debentures	50,000,000	-
Purchase of current investments	(4,470,855,264)	(11,469,177,509)
Sale of current investments	4,375,094,566	12,071,288,438
Bank balances not considered as Cash and bank balance		
Placed	(59,353,577)	(104,400,591)
Matured	179,316,813	366,204,557
Proceeds from sale of discontinued operations	-	287,495,375
Dividend received	5,057,639	4,535,275
Interest received	90,026,853	56,888,119
Net cash from investing activities	143,318,147	985,917,556
C. Cash flows from financing activities		
Buyback of Company's equity shares	-	(820,033,500)
Dividend paid	(54,178,799)	(106,718)
Interest paid	(664,916)	(1,474,646)
Net cash (used in) financing activities	(54,843,715)	(821,614,864)
Net Increase / (Decrease) in cash and bank balance	19,790,804	(8,499,311)
Cash and bank balance at the beginning of the year	2,424,151	10,928,380
Effect of exchange differences on restatement of foreign currency Cash and bank balance	11,944	(4,918)
Cash and bank balance at the end of the year (Refer note 3)	22,226,899	2,424,151
Notes:		
1. Cash flows are reported using the indirect method.		
2. Purchase of fixed assets are stated inclusive of movements of capital work in progress and capital creditors between the commencement and end of the year and are considered as part of investing activity.		
3. Reconciliation of Cash and bank balance:		
Cash and bank balance (Refer note 15)	24,300,447	129,625,791
Less: Bank balances not considered as Cash and bank balance as defined in Accounting Standard (AS) 3 on 'Cash Flow Statements'		
In deposits accounts		
Original maturity more than 3 months	-	122,989,313
In earmarked accounts:		
Unpaid dividend accounts	2,073,548	1,971,048
Deposits held as margin money	-	2,241,279
Net Cash and bank balance as defined in AS3 on 'Cash Flow Statements'	22,226,899	2,424,151

In terms of our report attached

For Sharp & Tannan LLP
Chartered Accountants
ICAI Firm Registration No. 127145W/W100218

Darryl Frank
Partner
Membership No. 104096

Mumbai, dated: 11th May, 2018

For and on behalf of the Board

K. R. Naik
Executive Chairman
DIN: 00002013

Urjita Damle
Company Secretary

Mumbai, dated: 11th May, 2018

K. M. Gaonkar
Director
DIN: 00002425

K. G. Prabhu
Chief Financial Officer

Notes forming part of the financial statements

NOTE 1: BACKGROUND OF THE COMPANY

Smartlink Holdings Limited (formerly known as Smartlink Network Systems Limited) ("Company") was incorporated on 31st March, 1993. The change in name of the company is effective from 18th April, 2018.

The Company has considered itself as a Non-Banking Financial Institution in terms of provisions of Clause (f) of section 45-I of Reserve Bank of India Act, 1934 ("the Act"). The Company has received the Certificate of Registration as Non-Banking Financial Institution (NBFI) (non-deposit taking) from the Reserve Bank of India ("RBI") dated 2nd May, 2018.

The Company was in the business of developing, manufacturing, marketing, distributing and servicing of networking products. During the previous year the Board of Directors of the Company at its meeting held on 04th August, 2016 approved transfer of "Digisol Brand" Business of the Company related to Selling and Marketing of DIGISOL branded active Networking Products and the Electronic Manufacturing Services Business, ("EMS Business") together with its respective assets and liabilities, as a going concern on a slump sale basis to its wholly owned subsidiaries i.e. M/s Digisol Systems Limited (Digisol) and Synegra EMS Limited (Synegra) respectively. The same was given effect pursuant to entering into a Business Transfer Agreements signed on 24th September, 2016 by the Company with Digisol and Synegra respectively.

Thus pursuant to completion of transfer of Digisol brand business and Electronic Manufacturing Services Business to Digisol and Synegra respectively on 10th October, 2016, the Company's Income consists mainly of income from investments.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act"), and the relevant provisions of the Act. The financial statements have been prepared on accrual basis under the historical cost convention except for building acquired through amalgamation, that is carried at revalued amounts.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) Use of estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported year. Differences between the actual results and estimates are recognised in the year in which the results are known/materialised.

(c) Depreciation & Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Motor Vehicle	- 5 years
Plant and equipment	- 8 years
Furniture and Fixture	- 8 years

Leasehold Land is amortised over the duration of the lease.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Acquired Goodwill	- 5 years
Computer Software (ERP)	- 3 years
Computer Software (Other Softwares)	- 4 years

(d) Revenue recognition

Income from debentures and bonds is accrued over the maturity of the security. Profit/Loss on sale of investments is recognised on the contract date. Dividend income is accounted for when the right to receive the same is established. Revenue (income) is recognized when no significant uncertainty as to determination/realization exists. Revenue from sale of products is recognised net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods. Sales include excise duty but exclude sales tax and value added tax. Revenue from services is recognised when the services are rendered. Revenue from maintenance contracts are recognised pro-rata over the period of contract. Interest income is accounted on accrual basis.

(e) Fixed assets

i) Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

ii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any.

(f) Foreign currency transactions

Transactions in foreign currencies are recorded at the original rates of exchange in force at the time the transactions are effected. In case of forward exchange contracts or other financial instruments

Notes forming part of the financial statements

that is in substance a forward exchange contract, other than for trading or speculation purposes, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of contract. Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognised as income or expense. At the year-end, monetary items denominated in foreign currency and the relevant foreign exchange contracts are reported using the closing rate of exchange.

Exchange difference arising thereon and on realization / payments of foreign exchange are accounted as income or expenses in the relevant year.

(g) Government grants

Grants relating to specific fixed assets are disclosed as a deduction from the value of the concerned assets. Grants related to revenue are credited to the Statement of Profit and Loss. Grants in the nature of promoter's contribution are treated as Capital reserve.

(h) Investments

Long-term (non-current) investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognize the decline. Current investments are carried at lower of cost and fair value.

(i) Employee Benefits

Compensation to employees for service rendered is accounted for in accordance with AS-15 on "Employee Benefits". Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of 12 months after rendering services, are charged as expense to the Statement of profit and loss in the period in which the service is rendered.

Employee Benefits such as defined benefit plan and other long term employee benefits, such as gratuity and compensated absences which fall due for payment after a period of 12 months from rendering services and after completion of employment are measured by the Project Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The company's obligation recognised in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(j) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(k) Assets taken on Lease (Hire Purchase)

Assets taken on finance lease (including on hire purchase) on or after 1st April, 2001 are accounted for as in fixed assets accordance with Accounting Standard 19 on "Leases", (AS 19). Accordingly, the assets have been accounted at fair value. Lease payments are apportioned between finance charge and reduction of outstanding liability.

(l) Taxes on income

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred income-tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets in case there are unabsorbed depreciation and losses are recognised if there is virtual certainty that supported by convincing evidence sufficient future taxable income will be available to realise the same (Refer note 35).

(m) Impairment of assets

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". An impairment loss is charged to the Statement of Profit and Loss in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(n) Provisions and contingencies

Provision is recognised in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any are disclosed in the notes to the financial statements.

Notes forming part of the financial statements

		As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
NOTE 3: SHARE CAPITAL			
Authorised			
35,000,000 Equity Shares of ₹2/- each		70,000,000	70,000,000
Issued, subscribed and paid-up			
22,550,000 (Previous year 30,004,850) Equity Shares of ₹2/- each, fully paid-up	45,100,000		60,009,700
Less: NIL (Previous year 7,454,850) Equity Shares purchased under buyback scheme	-		14,909,700
		45,100,000	45,100,000
Total		45,100,000	45,100,000

a) Terms / rights attached to equity shares

The Company has only one class of Equity shares having a par value of ₹2/- per share. Each holder of Equity shares is entitled to one vote per share and each Equity share carries an equal right to dividend and in case of repayment of capital.

b) Reconciliation of the number of shares outstanding

	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	22,550,000	30,004,850
Less: Shares bought-back during the year (refer footnote 1 below)	-	7,454,850
Shares outstanding at the end of the year	22,550,000	22,550,000

Footnote:

- 1) The Board of Directors of the Company at its meeting held on 29th February, 2016 and the Shareholders of the Company through postal ballot on 14th April, 2016 had approved the proposal of the Company to buy-back up to 7,454,850 fully paid-up equity shares of ₹2/- each at a price of ₹110/- per share (aggregating up to 24.85% of the fully paid-up equity share capital and free reserves of the Company), payable in cash for an aggregate amount of up to ₹820,033,500/- from the existing shareholders of the Company under Tender Offer mechanism. The offer was kept open from 6th June, 2016 to 17th June, 2016. The Company has bought back 7,454,850 equity shares, representing 100.00% of issue size and the shares were extinguished on 30th June, 2016.
- 2) The Board of Directors of the Company at its meeting on held 7th April, 2018 and the shareholders of the Company at the Extraordinary General Meeting held on 4th May, 2018 had approved the proposal to buyback equity shares up to 5,600,000 (aggregating up to 24.83% of the paid-up equity share capital of the Company), payable in cash for an aggregate amount of up to ₹672,000,000/-.

c) Details of shareholders holding more than 5% shares in the company.

	As at 31 st March, 2018		As at 31 st March, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹2/- each fully paid-up				
Mr. Kamalaksha R. Naik	11,488,272	50.95%	11,488,272	50.95%
Ms. Arati K. Naik	2,255,000	10.00%	2,210,320	9.80%
Mrs. Lakshana A. Sharma	1,664,486	7.38%	1,342,859	5.96%
Mrs. Sudha K. Naik	1,127,500	5.00%	1,100,377	4.88%

Notes forming part of the financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
NOTE 4: RESERVES AND SURPLUS		
Capital Reserve		
State Government subsidy		
As per last Balance sheet	2,500,000	2,500,000
Reserve Fund		
As per Section 45-IC of the Reserve Bank of India Act, 1934	22,003,927	-
Securities Premium Account		
As per last Balance sheet	278,614,693	278,614,693
Revaluation Reserve		
As per last Balance sheet	37,183,524	37,183,524
General Reserve		
As per last Balance sheet	556,720,271	556,720,271
Capital Redemption Reserve		
As per last Balance sheet	14,909,700	14,909,700
(Previous year 7,454,850) Equity Shares of ₹2/- each purchased under buyback scheme		
Surplus in Statement of Profit and Loss		
As per last Balance sheet	2,460,881,649	3,229,188,441
Add : Profit for the year	110,019,635	51,726,708
Less : Amount paid to Shareholders for purchase of shares under buyback scheme	-	820,033,500
Less : Appropriations		
Dividend	45,100,000	-
Dividend distribution tax	9,181,299	-
Transferred to Reserve fund	22,003,927	-
Closing balance	2,494,616,058	2,460,881,649
Total	3,406,548,173	3,350,809,837
NOTE 5: OTHER LONG-TERM LIABILITIES		
Other payables:		
Security deposits	-	95,188
Total	-	95,188
NOTE 6: LONG-TERM PROVISIONS		
Provision for employee benefits		
For Gratuity (Refer note 31)	292,161	-
For Leave encashment	313,859	251,755
Total	606,020	251,755

Notes forming part of the financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
NOTE 7: TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises (Refer footnote below)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,534,068	11,827,281
Total	9,534,068	11,827,281
Footnote:		
The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the Company.		
Particulars		
Outstanding principal amount and interest as on 31 st March 2018		
- Principal Amount	-	-
- Interest due thereon	-	-
Amount of interest paid along with the amounts of payment made beyond the appointed day	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	-	11,354
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	11,354
The amount of further interest remaining due and payable even in succeeding until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 23 of the said Act	-	-
NOTE 8: OTHER CURRENT LIABILITIES		
Unpaid dividends	2,073,548	1,971,048
Temporary overdrawn bank balance as per books	-	322,848
Other payables:		
Provision for Gratuity (Refer note 31)	14,365	681,796
Statutory dues	339,925	6,279,473
Security deposits	1,655,188	264,433
Interest accrued on delayed payments to MSME vendors (Refer Note 7)	-	11,354
Total	4,083,026	9,530,952
NOTE 9: SHORT-TERM PROVISIONS		
Provision for employee benefits		
For Leave encashment	120,697	144,225
Others		
For Income-tax (net of advance tax ₹120,901,433/-, (Previous year ₹102,921,995/-))	4,148,567	1,578,005
Total	4,269,264	1,722,230

Notes forming part of the financial statements

NOTE 10: FIXED ASSETS

Nature of assets	Gross block				Depreciation / Amortisation			Net block As at 31 st March, 2018
	As at 1 st April, 2017	Additions	Deductions	Adjustment on account of transfer of business	As at 31 st March, 2018	For the year	Adjustment on account of transfer of business	
a								
Property, plant and equipment:								
Land	8,791,000	-	-	-	8,791,000	-	-	-
Freehold	(8,791,000)	-	-	-	(8,791,000)	-	-	-
Leasehold	9,278,538	-	-	-	9,278,538	94,890	-	7,501,863
	(9,278,538)	-	-	-	(9,278,538)	(98,670)	-	(7,596,753)
Buildings	225,771,053	-	-	-	225,771,053	4,748,898	-	154,469,670
Own use	(272,428,725)	-	-	-	(272,428,725)	(6,234,662)	-	(179,624,510)
Given under operating lease	46,657,672	-	-	-	46,657,672	1,434,473	-	18,971,469
Plant and Equipment	(154,908,970)	(7,038,069)	(8,679,439)	(153,267,600)	(150,097,646)	(1,028,650)	(142,555,338)	-
Furniture and fixture	20,449,861	-	(260,856)	(9,379,597)	20,449,861	176,819	-	340,852
	(30,090,314)	-	(171,901)	(3,287,188)	(30,090,314)	(415,229)	(8,570,455)	(517,671)
Vehicles	2,993,663	(731,476)	(1,301,890)	(1,994,125)	2,993,663	271,711	(1,105,754)	528,365
	(6,851,265)	(21,499)	(13,156)	(1,994,125)	(6,851,265)	(740,329)	(1,810,667)	(800,076)
Office equipment	11,848,225	(21,499)	(13,156)	(1,994,125)	11,848,225	159,904	(1,839,188)	155,994
	(13,834,007)	(2,088,292)	(107,549)	(19,427,103)	(13,001,637)	(366,327)	(13,156)	(332,605)
Others	39,218,380	22,000	-	(1,545,201)	39,218,380	1,871,125	-	603,409
Electrical installations	(40,763,581)	-	-	(1,545,201)	(40,763,581)	(2,102,567)	-	(2,452,534)
Air conditioners	34,516,242	354,532	(85,874)	(658,513)	34,516,242	1,288,621	-	3,322,770
	(33,847,841)	(1,412,788)	(799,288)	(658,513)	(33,847,841)	(1,332,125)	(475,650)	(4,256,859)
Computers	16,706,539	-	(107,549)	(19,427,103)	16,706,539	199,092	-	16,228
	(34,152,899)	(2,088,292)	(107,549)	(19,427,103)	(33,602,589)	(421,439)	(17,425,259)	(215,319)
Property, plant and equipment totals	416,231,173	376,532	992,688	(189,559,327)	415,615,017	10,245,533	975,982	185,910,620
	(604,947,140)	(11,292,124)	(10,448,764)	(189,559,327)	(604,947,140)	(12,739,998)	(10,079,008)	(195,796,327)
b								
Intangible assets:								
Computer software - acquired	34,961,411	2,000,000	-	(6,033,750)	34,961,411	2,540,498	-	5,150,640
	(35,182,168)	(5,812,993)	-	(6,033,750)	(35,182,168)	(1,447,874)	-	(5,691,138)
Intangible assets totals	34,961,411	2,000,000	-	(6,033,750)	34,961,411	2,540,498	-	5,150,640
	(35,182,168)	(5,812,993)	-	(6,033,750)	(35,182,168)	(1,447,874)	-	(5,691,138)
Total	451,192,584	2,376,532	992,688	(195,593,077)	452,576,428	12,786,031	975,982	191,061,260
	(640,129,308)	(17,105,117)	(10,448,764)	(195,593,077)	(640,129,308)	(14,187,872)	(179,601,994)	(201,487,465)
c								
Depreciation and amortisation								
Particulars								
Depreciation and amortisation for the year on property, plant and equipment as per Note 10 a								
Depreciation and amortisation for the year on intangible assets as per Note 10 b								
Less: Depreciation and amortisation relating to discontinued operation (Refer Note 37)								
Depreciation and amortisation								

Footnotes

- Leasehold land/ premises include:
 - Plots of land of the aggregate gross value of ₹7,592,538/- (previous year ₹7,592,538/-), taken on lease from the Goa Industrial Development Corporation (GIDC) for an initial period of thirty years. The same has been extended to ninety-five years.
 - Land and premises of the aggregate gross value of ₹1,686,000/- (previous year ₹1,686,000/-), taken on lease from Maharashtra Industrial Development Corporation (MIDC) for an initial period of ten years. The same has been extended to ninety-five years.
- Title deeds in respect of the above are in the names of GIDC and MIDC respectively.
- Part of the building given on Operating Lease cannot be segregated from Building classified as for own use.
- Figures in brackets are those of the previous year.

Notes forming part of the financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
NOTE 11: NON-CURRENT INVESTMENTS		
Investment in Equity Instruments (at cost) (unquoted) (Trade)		
In Subsidiary Companies		
16,000,000 (Previous year, 16,000,000) Equity Shares of ₹10/- each fully paid-up in Digisol Systems Limited	160,000,000	160,000,000
4,500,000 (Previous year, 4,500,000) Equity Shares of ₹10/- each fully paid-up in Synegra EMS Limited	45,000,000	45,000,000
2,880,000 (Previous year, 500,000) Equity Shares of ₹10/- each fully paid-up in Telesmart SCS Limited	28,800,000	5,000,000
	<u>233,800,000</u>	<u>210,000,000</u>
Investments in Debentures (Unquoted)		
In Subsidiary Company		
2,500,000 (Previous year, NIL) 8% Unsecured Non-convertible Debentures of ₹100/- each in Digisol Systems Limited	250,000,000	-
(Refer footnote 2 to Note 14)		
Total	<u>483,800,000</u>	<u>210,000,000</u>
NOTE 12: LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good (unless stated otherwise):		
Security deposits	2,420,224	1,340,866
Prepaid expenses	198,061	59,809
Others:		
Advance payment of taxes (net of provision ₹79,730,287/-, (previous year ₹63,857,475/-))	8,604,863	4,305,109
	<u>11,223,148</u>	<u>5,705,784</u>
Unsecured, considered doubtful:		
Security deposits	798,635	798,635
Less: Provision for doubtful deposits	798,635	798,635
	<u>-</u>	<u>-</u>
Total	<u>11,223,148</u>	<u>5,705,784</u>
NOTE 13: OTHER NON-CURRENT ASSETS		
Bank deposits	2,664,855	-
Bank deposits held as margin money	2,500,000	-
Total	<u>5,164,855</u>	<u>-</u>
NOTE 14: CURRENT INVESTMENTS		
Investments in Mutual Funds (unquoted)		
(At lower of cost and fair value)		
1,087,164.7020 (Previous year, 1,087,164.7020) units in ICICI Prudential Mutual Fund Regular Savings Fund -Regular Plan-Growth	17,936,805	17,936,805
NIL (Previous year, 1,000,000.0000) units in ICICI Prudential Mutual Fund FMP Series 73-1140 days Plan E - Regular plan	-	11,395,899
15,630.8900 (Previous year, 2,122.9100) units in ICICI Prudential Mutual Fund Liquid Plan Growth	4,000,000	502,611

Notes forming part of the financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
2,106,654.9200 (Previous year, 656,375.5870) units in ICICI Prudential Mutual Fund Balanced Advantage Fund-Growth	66,272,528	19,500,000
1,034,040.6200 (Previous year, NIL) units in ICICI Prudential Mutual Fund Regular Saving Fund-Direct Plan- Growth	20,000,000	-
2,672,722.2000 (Previous year, 2,672,718.4030) Units in Birla Sun Life Mutual Fund Dynamic Bond Fund Retail -Growth-Regular Plan	80,922,256	76,656,771
1,199,036.1800 (Previous year, 1,199,036.1800) Units in Birla Sun Life Mutual Fund Short Term Opportunities Fund Growth - Regular Plan	29,615,594	29,615,594
8,321,461.2400 (Previous year, 8,321,415.8920) Units in Birla Sun Life Mutual Fund Medium Term Growth - Regular Plan	181,936,268	162,245,974
8,002,321.1440 (Previous year, 8,002,321.1440) Units in Birla Sun Life Mutual Fund BSL Corporate Bond Fund - Growth Regular	90,574,272	90,574,272
392,058.4600 (Previous year, NIL) Units in Birla Sun Life Mutual Fund Banking & PSU Debit Fund Growth- Direct Plan	20,000,000	-
18,500.4600 (Previous year, NIL) Units in Birla Sun Life Mutual Fund Cash Plus - Growth - Direct Plan	5,024,339	-
495,091.5080 (Previous year, NIL) Units in Kotak Mutual Fund Income Opportunity Fund - Direct Plan - Growth	9,123,348	9,123,348
340,357.3500 (Previous year, 340,357.3500) Units in Reliance Mutual Fund Dynamic Bond Fund - Growth	7,331,195	7,331,195
4,090,502.4860 (Previous year, 4,090,502.4860) Units in Reliance Mutual Fund Short Term Fund -Direct Growth Plan - Growth option	123,772,469	123,772,469
4,470.4200 (Previous year, 4,614.5020) Units in Reliance Mutual Fund Liquid Fund - Treasury Plan -DIRECT - Growth Option	18,442,968	18,299,998
4,973,980.2200 (Previous year, 5,849,130.6850) Units in Reliance Mutual Fund Medium Term Fund - Growth Plan - Growth Option	180,615,170	191,304,008
2,596,025.9290 (Previous year, 2,596,025.9290) Units in Reliance Mutual Fund Corporate Bond fund - Direct Growth Plan	33,086,350	33,086,350
NIL (Previous year, 2,590,655.0770) Units in Reliance Mutual Fund Dynamic Bond Fund -DIRECT - Growth Plan	-	58,806,575
3,232,715.8700 (Previous year, NIL) Units in Reliance Mutual Fund Regular Savings Fund - DEBT Plan - Direct Growth Plan	80,921,064	-
1,804.2800 (Previous year, NIL) Units in Reliance Mutual Fund Liquid Fund - Treasury Plan - Growth	7,505,243	-
10,022.3350 (Previous year, 10,022.3350) Units in Invesco Mutual Fund Medium Term Bond Fund - Growth	15,846,534	15,846,534
35,303.3300 (Previous year, 52,648.1970) Units in Invesco Mutual Fund Medium Term Bond Fund Direct - Growth	62,981,289	86,500,458
4,280,669.7000 (Previous year, 4,280,663.9210) Units in Franklin Templeton Mutual Fund Income Opportunities Fund - Growth	88,040,962	81,532,949
5,912,490.9490 (Previous year, 5,912,490.9490) Units in Franklin Templeton Mutual Fund Corporate Bond Opportunities Fund - Growth	93,239,391	93,239,391
21,776.1500 (Previous year, 17,818.3710) Units in Franklin Templeton Mutual Fund India Short Term Income Plan - Retail Plan	79,614,810	60,000,000
18,692.0100 (Previous year, NIL) Units in Franklin Templeton Mutual Fund India Short Term Income Plan - Direct -Retail Plan	70,000,000	-

Notes forming part of the financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
3,595,258.0300 (Previous year, 3,595,272.7570) Units in HDFC Mutual Fund Short Term Plan - Growth	121,854,800	110,685,146
NIL (Previous year, 8,63,903.2310) Units in HDFC Mutual Fund Corporate Debt Opportunities Fund - Regular Plan - Normal Dividend	-	100,593,161
2,011,527.2600 (Previous year, 2,011,523.3240) Units in HDFC Mutual Fund Short Term Opportunities Fund - Growth	34,528,469	34,528,469
663,301.0500 (Previous year, 663,301.0500) Units in HDFC Mutual Fund Regular Saving Fund-Direct Plan-Growth Option	20,675,558	20,675,558
2,602,051.8600 (Previous year, 905,568.8540) Units in HDFC Mutual Fund Banking & PSU Debt Fund - Direct Growth	35,813,706	11,500,000
7,424,994.3900 (Previous year, NIL) Units in HDFC Mutual Fund Corporate Debt Opportunities Fund - Regular Plan - Growth	100,610,902	-
77,690.3580 (Previous year, NIL) Units in HDFC Mutual Fund Prudence Fund-Regular Plan - Growth	38,038,597	-
2,407,321.9700 (Previous year, 2,407,321.9700) Units in SBI Mutual Fund Short Term Debt Fund - Regular Plan-Growth	42,470,456	42,470,456
NIL (Previous year, 4,667,268.9800) Units in IDFC Mutual Fund Dynamic Bond Fund - Growth	-	92,320,914
687,307.9890 (Previous year, 687,307.9890) Units in IDFC Mutual Fund Arbitrage Plus Fund - Direct Plan -Dividend Payout	8,300,000	8,300,000
4,876,813.1160 (Previous year, 4,876,813.1160) Units in IDFC Mutual Fund Corporate Bond Fund Direct Plan - Growth	52,049,739	52,049,739
668,527.8200 (Previous year, NIL) Units in IDFC Mutual Fund Money Manager Fund - Investment Plan - Growth -Regular Plan	17,952,981	-
4,936,864.8010 (Previous year, 4,936,864.8010) Units in BNP Paribas Mutual Fund Medium Term Income Fund - Direct Plan-Growth	63,205,692	63,205,692
1,531,473.6570 (Previous year, 1,531,473.6570) Units in BNP Paribas Mutual Fund Flexi Debt Fund - Growth	41,530,503	41,530,503
2,599,321.6350 (Previous year, 2,599,321.6350) Units in BNP Paribas Mutual Fund Medium Term Income Fund - Growth	31,197,318	31,197,318
2,884,119.4600 (Previous year, 2,884,116.9400) Units in L & T Mutual Fund Short Term Income Fund - Direct Plan - Growth	53,758,257	47,858,748
2,203,392.0000 (Previous year, NIL) Units in L & T Mutual Fund Floating Rate Fund Direct Plan - Growth	37,100,000	-
1,936,145.9080 (Previous year, 1,936,145.9080) Units in Edelweiss Mutual Fund Arbitrage Fund Dividend Option - Payout	20,000,000	20,000,000
491,197.5640 (Previous year, 491,197.5640) Units in Edelweiss Mutual Fund Equity Savings Advantage Fund - Regular Plan Dividend - Payout	4,999,900	4,999,900
1,148,003.2780 (Previous year, 1,418,003.2780) Units in Edelweiss Mutual Fund Equity Savings Advantage Fund - Direct Plan Dividend - Payout	14,800,000	14,800,000
	2,125,689,733	1,883,986,805
Less: Adjustment for excess of cost over fair value	1,139,786	-
	2,124,549,947	1,883,986,805

Notes forming part of the financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
Investments in Debentures or Bonds		
Debentures in Subsidiary Company (Unquoted)		
NIL (Previous year, 3,000,000) 8% Unsecured Non-convertible Debentures of ₹100/- each in Digisol Systems Limited (Refer footnote 2 below)	-	300,000,000
In Other Companies (Quoted)		
Face value of below units, ₹500,000/-		
40 (Previous year, NIL) Units in 12.90% Cholamandalam Perp NCD Series PDI 10 Face value of below units, ₹1,000,000/-	22,610,000	-
55 (Previous year, 55) Units in RR The Tata Power Company Limited 2072-NCD 10.75%	56,555,000	56,555,000
30 (Previous year, 30) Units in Tata Steel Limited - NCD Perpetual 11.50%	31,662,000	31,662,000
55 (Previous year, 55) Units in Tata Steel Limited - NCD Perpetual 11.80%	57,589,000	57,589,000
NIL (Previous year, 20) Units in IDBI Bank Limited - NCD Perpetual 10.75%	-	21,253,000
10 (Previous year, 10) Units in Canara Bank BD Perpetual - 9.55%	9,990,330	9,990,330
10 (Previous year, 10) Units in LIC Housing Finance Limited 2020 - NCD 8.95%	10,168,000	10,168,000
NIL (Previous year, 25) Units in M&M FIN 11-05-2017 - NCD 12%	-	25,710,000
50 (Previous year, 50) Units in Fullerton India Credit Company Limited 2019-NCD 8.9%	50,000,000	50,000,000
NIL (Previous year, 50) Units in Cholamandalam Investment and Finance Company Limited 2018 - NCD 9.25%	-	50,340,000
50 (Previous year, 50) Units in LIC Housing Finance Limited 2019 - NCD 8.38 %	49,894,650	49,894,650
50 (Previous year, 50) Units in ICICI BANK AT1 - BD 9.2%	50,007,650	50,007,650
10 (Previous year, NIL) Units in State bank of Mysore Perpetual - BD 9.10%	10,057,000	-
5 (Previous year, NIL) Units in India Bulls Housing Finance Limited 2019 - NCD 9%	4,999,500	-
30 (Previous year, NIL) Units in Cholamandalam Investment and Finance Company Limited - NCD 8.80%	30,000,000	-
30 (Previous year, NIL) Units in Mahindra Rural housing Finance Ltd 2017-NCD 8.50%	30,075,000	-
20 (Previous year, NIL) Units in HDFC Bank Limited Perpetual - BD 8.85%	20,048,000	-
17 (Previous year, NIL) Units in IDFC Bank Ltd 2020 - NCD 8.64%	16,824,900	-
5 (Previous year, NIL) Units in IDFC Bank Ltd 2020 - NCD 8.63%	4,954,000	-
Face value of below units, ₹10,000,000/-		
NIL (Previous year, 5) Units in Housing Development Finance Corporation Limited 2018 - NCD 8.43%	-	49,925,000
Face value of below units, ₹2,500,000/-		
20 (Previous year, 20) Units in L&T Housing and Finance Limited JULY 2019 - NCD 8.70%	50,020,000	50,020,000
Face value of below units, ₹100,000/-		
500 (Previous year, 500) Units in Edelweiss Asset Reconstruction Company 2019 - NCD 10.25%	50,024,450	50,024,450
	555,479,480	863,139,080
Less: Adjustment for excess of cost over fair value	1,272,400	1,572,460
	554,207,080	861,566,620

Notes forming part of the financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
Investments in Preference Shares (unquoted)		
200,000 (Previous year, 200,000) Units in L & T Finance Holding Ltd. Preference Shares - 8.15%	20,033,493	20,033,493
340 (Previous year, 340) Units in Infrastructure Leasing and Financial Services Limited Preference Shares - 16.46%	5,104,587	5,104,587
	<u>25,138,080</u>	<u>25,138,080</u>
Investments in Deposits (unquoted)		
Fixed Deposit with Housing Development Finance Corporation Limited	-	50,000,000
Fixed Deposit with PNB Housing Finance Limited	20,000,000	20,000,000
(Refer footnote 1 below)	<u>20,000,000</u>	<u>70,000,000</u>
Total	<u>2,723,895,107</u>	<u>2,840,691,505</u>
Aggregate value of investments (net of adjustment)		
Unquoted - cost	2,169,688,027	2,279,124,885
Quoted - cost	554,207,080	563,139,080
- Market value	560,493,277	565,153,025
Footnote:		
1) Investment in Deposits include deposits amounting to ₹20,000,000/- (Previous year, ₹20,000,000/-) with residual maturity of more than 12 months		
2) Out of 3,000,000 Debentures issued during the previous year, 2,500,000 Debentures have been rolled over for 4 years. Hence, the same is classified under Non-current Investments as at date.		
NOTE 15: CASH AND BANK BALANCE		
Cash and cash equivalents		
Cash on hand	251,543	220,798
Cheques in hand	-	341,244
Balances with bank		
In Current accounts	21,975,356	1,862,109
	<u>22,226,899</u>	<u>2,424,151</u>
Other bank balances		
In deposits accounts (Refer footnote below)	-	122,989,313
In earmarked accounts		
Unpaid dividend accounts	2,073,548	1,971,048
Deposits held as margin money (Refer footnote below)	-	2,241,279
	<u>2,073,548</u>	<u>127,201,640</u>
Total	<u>24,300,447</u>	<u>129,625,791</u>
Footnote:		
Balances with bank include deposits amounting to ₹NIL (previous year ₹122,989,313/-) and margin monies amounting to ₹NIL (previous year ₹2,241,279/-) which have an original maturity of more than 12 months.		

Notes forming part of the financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
NOTE 16: SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good (unless otherwise stated):		
Other receivables (Refer footnote (i) below)	1,443,078	4,475,689
Security deposits	1,000,000	-
Advances / Loans to employees	76,795	174,267
Prepaid expenses	940,925	744,026
Others:		
CENVAT / Service tax credit receivable	-	837,043
GST Credit Receivable	712,689	-
Advances to suppliers	675,544	470,953
	4,849,031	6,701,978
Unsecured, considered doubtful:		
Other receivables	-	751,093
Less: Provision for doubtful advances	-	751,093
	-	-
Total	4,849,031	6,701,978
Footnote:		
(i) Receivable from related parties:		
Digisol Systems Limited	675,200	2,611,826
Synegra EMS Limited	501,786	791,683
Telesmart SCS Limited	230,693	1,065,431
NOTE 17: OTHER CURRENT ASSETS		
Interest accrued on		
Bank deposits	3,464,099	5,538,899
Debentures held as non-current investments	4,438,356	-
Debentures and Bonds held as current investments	29,555,753	33,260,095
Total	37,458,208	38,798,994
	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
NOTE: 18 REVENUE FROM OPERATIONS		
Interest income		
- On fixed deposits with banks	4,282,789	12,033,663
- On fixed deposits with financial institutions	4,673,712	5,263,323
- On bonds and securities	56,010,217	45,973,279
- On Debentures	22,257,535	8,942,466
	87,224,253	72,212,731
Other financial services		
- Dividend income from current investments	5,057,639	4,535,275
- Write back of adjustment for excess of cost over fair value of current investments (net)	-	167,954
- Gain on sale of current investments (net)	88,282,629	139,505,223
	93,340,268	144,208,452
Total	180,564,521	216,421,183

Notes forming part of the financial statements

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
NOTE 19: OTHER INCOME		
Interest on income tax refund	109,291	5,059,524
Other Interest	-	26,265
Provision for Interest on statutory payments written-back	1,352,523	-
Rent income from operating leases	23,685,904	15,116,240
Profit on fixed assets sold / written off (net)	190,943	-
Management support fees	2,850,000	4,346,775
Exchange Gain (net)	11,944	-
Provision for Gratuity written back	15,111	84,008
Provision for doubtful trade receivable and advances written back	751,093	137,420
Sundry balances written back	990	205,639
Recovery of trade receivables earlier written off	-	179,677
Scrap income	133,831	75,200
Total	29,101,630	25,230,748
NOTE 20: EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	15,069,499	39,689,733
Contribution to provident and other funds	645,322	1,187,567
Staff welfare expenses	482,409	509,917
Leave encashment	117,859	353,517
Total	16,315,089	41,740,734
NOTE 21: FINANCE COSTS		
Interest Expenses on:		
- delayed payment of income tax	-	120,094
- statutory payments etc.	653,562	1,357,967
Total	653,562	1,478,061
NOTE 22: OTHER EXPENSES		
Power and fuel	724,532	3,412,704
Rent	486,510	9,320
Rates and taxes	1,748,597	1,943,609
Insurance	833,026	769,536
<u>Repairs and maintenance</u>		
Buildings	1,949,816	9,774,035
Machinery	16,450	5,069
Others	1,623,713	5,138,308
	3,589,979	14,917,412
Travelling and conveyance expenses	4,199,945	5,706,152
Communication expenses	643,880	1,599,827
Legal and Professional fees	10,734,781	21,116,873
Advertisement expenses	1,032,947	1,701,622

Notes forming part of the financial statements

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
Loss on fixed assets sold / written off	-	180,747
Exchange loss (net)	-	4,918
Excess of cost over fair value of current investments (non-trade) (net), adjusted	839,726	-
Custom duty write-off	926,752	-
Sundry balances written off	551,093	132,324
Expenditure on Corporate Social Responsibility (Refer note 39(a))	1,873,837	1,194,775
Directors Sitting Fees	2,407,500	3,411,633
Annual maintenance expenses	876,332	2,441,169
Miscellaneous expenses	4,062,354	9,650,975
Total	35,531,791	68,193,596

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
NOTE 23: CONTINGENT LIABILITIES AND COMMITMENTS		
A. Contingent liabilities in respect of		
Disputed demand of value added tax pending with Ld. Joint Commissioner of Sales Tax, Dharamtala Circle, Kolkata	5,107,661	-
B. Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for.	92,500,000	-
C. Corporate Guarantees given in favour of banks on behalf of:		

Sr. No.	Name of the entity	Guarantees given	Bank to whom given	Purpose
1	Digisol Systems Limited	40,000,000	HDFC Bank Limited	Towards working capital limit.
2	Digisol Systems Limited	50,000,000	Kotak Mahindra Bank	Towards working capital limit.

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
NOTE 24: PAYMENT TO AUDITORS (NET OF GST AND SERVICE TAX)		
As Auditors	800,000	820,000
For other services - certification	-	380,000
For Expenses	13,741	51,038
Total	813,741	1,251,038

NOTE 25: COST OF RAW MATERIALS CONSUMED

Raw materials consumed comprises

Integrated circuits	-	42,909,631
Power supplies, batteries and accessories	-	23,477,274
Inductors, Chip Beads & Transformers	-	11,013,297
PCBs	-	8,403,750
Enclosures and parts	-	9,560,829
Others	-	35,209,803
Total	-	130,574,584

NOTE 26: PURCHASE OF TRADED GOODS

Networking products	-	240,291,080
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Notes forming part of the financial statements

NOTE 27: CONSUMPTION OF IMPORTED AND INDIGENIOUS RAW MATERIAL, STORES, SPARES AND PACKING MATERIAL

	For the year ended 31 st March, 2018		For the year ended 31 st March, 2017	
	₹	% age to total consumption	₹	% age to total consumption
a) Raw materials consumed				
imported	-	-	127,045,551	97.30
indigenous	-	-	3,529,033	2.70
Total	-	-	130,574,584	100.00
b) Stores, spares and packing materials consumed				
imported	-	-	2,774,823	85.41
indigenous	-	-	473,958	14.59
Total	-	-	3,248,781	100.00

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
NOTE 28: VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF		
Raw materials and components	-	184,067,423
Stores, spares and packing materials	-	5,655,737
Capital goods	-	6,031,956
Traded goods	-	202,030,461
NOTE 29: FOREIGN CURRENCY		
a) Expenditure In Foreign Currency:		
Travelling expenses	60,722	1,746,892
Professional fees	-	17,162
Advertisement, Sales development, reimbursement of expenses, etc.	-	97,013
b) Amount of Exchange differences included in Statement of Profit and Loss:		
Exchange Gain	18,259	6,277,350
Exchange Loss	6,315	1,726,352
NOTE 30: EARNINGS IN FOREIGN EXCHANGE		
Income from services	-	20,440,597
NOTE 31: EMPLOYEE BENEFITS		
A The disclosure as required under AS-15 regarding the Company's defined benefit plans is as follows:		
I. Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at beginning of the year	1,604,638	13,924,932
Current Service Cost	189,681	2,218,487
Interest Cost	35,773	597,841
Actuarial (gain) / loss	1,992,869	(3,314,663)
Benefits paid	(2,139,841)	(2,115,550)
Transfer pursuant to Business Transfer Agreement	-	(9,706,409)
Defined Benefit obligation at year-end	1,683,120	1,604,638

Notes forming part of the financial statements

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
II. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	922,842	9,238,070
Adjustment to opening balance	9,556	(18,127)
Expected return on plan assets	75,097	714,898
Actuarial gain/(loss)	8,791	(68,038)
Employer contribution	2,500,149	2,877,998
Benefits paid	(2,139,841)	(2,115,550)
Transfer pursuant to Business Transfer Agreement	-	(9,706,409)
Fair value of plan assets at year end	1,376,594	922,842
III. Reconciliation of fair value of assets and obligations		
Present value of obligation As at 31 st March, 2018	1,683,120	1,604,638
Fair value of plan assets As at 31 st March, 2018	1,376,594	922,842
Amount recognized in Balance Sheet	(306,526)	(681,796)
IV. Expense recognized during the year (Under the head "Employees benefits expense" - Refer to note 19)		
Current Service Cost	189,681	2,218,487
Interest Cost	35,773	597,841
Expected return on plan assets	(75,097)	(714,898)
Actuarial (gain) / loss	1,984,078	(3,246,625)
Net Cost	2,134,435	(1,145,195)
V. Actuarial assumptions		
Discount rate (per annum)	7.42%	6.69%
Expected rate of return on plan assets (per annum)	6.75%	7.50%
Rate of escalation in salary (per annum)	5.00%	5.00%
Mortality Table used	Indian Assured Lives Mortality 2006-08 ultimate table	Indian Assured Lives Mortality 2006-08 ultimate table
Disclosed under Note 6 - Long-Term Provisions	292,161	-
Disclosed under Note 8 - Other current liabilities	14,365	681,796

VI. The assumptions of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment.

VII. The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets are furnished below.

Experience Adjustment	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
On plan liabilities	1,992,869	(3,314,663)	600,910	1,219,715	(1,169,462)
On plan assets	8,791	(68,038)	(128,347)	(19,104)	(27,133)
Present value of benefit obligation	1,683,120	1,604,638	13,924,932	14,833,863	12,372,964
Fair value of plan assets	1,376,594	922,842	9,238,070	9,047,182	8,699,007
Excess of (obligation over plan assets) / plan assets over obligation	(306,526)	(681,796)	(4,686,862)	(5,786,681)	(3,673,957)

VIII. The contribution expected to be made by the Company during the financial year 2018-19 is ₹100,000/-.

IX. The plan assets are managed by the Gratuity trust formed by the Company. The management of funds is entrusted with Life Insurance Corporation of India. The details of investments made by them are not available.

B The disclosure as required under AS-15 regarding the Company's defined contribution plans is as follows:

- Contribution to provident fund ₹361,006/- (previous year ₹2,467,130/-).
- Contribution to National Pension Scheme ₹144,600/- (previous year ₹242,373/-).
- Contribution to Employee State Insurance scheme ₹139,716/- (previous year ₹435,577/-)

Notes forming part of the financial statements

NOTE 32: SEGMENT INFORMATION

Segment information for primary reporting (by business segment)

Consequent to Slump sale (refer Note 1 above) the Company is focussing on earning income through dividends, interest and gains on investments held. Hence, the Company operates in a single business segment namely "Investment".

NOTE 33: OPERATING LEASE RENTALS

Lease rental charged to the statement of Profit and Loss in respect of premises taken on cancellable operating lease are ₹486,510/- (Previous year: ₹1,891,875/-). The tenure of the lease is 60 months.

NOTE 34: EARNINGS PER SHARE

Earnings per share is calculated by dividing the Profit / (loss) attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year, as under:

	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Net Profit for the year attributable to Equity Shareholders (Rupees)	110,019,635	51,726,708
Weighted average number of equity shares	22,550,000	24,388,182
Par value per share (Rupees)	2.00	2.00
Basic and Diluted earnings per share including exceptional item net of tax (Rupees)	4.88	2.12

NOTE 35: DEFERRED TAX (NET)

The tax effect of significant timing differences that has resulted in deferred tax assets and liabilities are given below:

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
a. Deferred Tax Liability		
Fiscal allowances of fixed assets	(14,243,639)	(18,016,548)
Total	(14,243,639)	(18,016,548)
b. Deferred Tax Asset		
Provision for doubtful debts and advances	232,563	248,334
Others	2,399,571	4,093,940
Total	2,632,134	4,342,274
Deferred Tax (Liability) (net)	(11,611,505)	(13,674,274)

NOTE 36: RELATED PARTY DISCLOSURES

a) Name of related parties where control exists

Name of the Related Party	Nature of Relationship
Digisol Systems Limited	Subsidiary
Synegra EMS Limited	Subsidiary
Telesmart SCS Limited	Subsidiary

b) List of related parties with whom transactions have taken place during the year and nature of relationship

Name of the related parties	Nature of relationship
Digisol Systems Limited	Subsidiary
Synegra EMS Limited	Subsidiary
Telesmart SCS Limited	Subsidiary
Mr. Kamalaksha R. Naik	Key management person
Ms. Arati K. Naik	Relative of key management person (Key management person till 26th October 2016)
Mr. Kamalaksha R. Naik (HUF)	Enterprise over which key management person is able to exercise significant influence.
Mrs. Sudha K. Naik	Relative of key management person
Mrs. Lakshana A. Sharma	Relative of key management person

Notes forming part of the financial statements

c) Details of related party transactions during the year

Amount in ₹

Nature of transactions	Subsidiary	Key Management Person	Enterprise over which key management person is able to exercise significant influence	Relative of key management person	Total
Purchase Consideration received on Sale of Business including working capital adjustment					
Digisol Systems Limited	-	-	-	-	-
	(259,884,723)	-	-	-	(259,884,723)
Synegra EMS Limited	-	-	-	-	-
	(27,610,652)	-	-	-	(27,610,652)
Interest Income on Debentures					
Digisol Systems Limited	22,257,535	-	-	-	22,257,535
	(8,942,466)	-	-	-	(8,942,466)
Rent Income					
Digisol Systems Limited *	13,065,000	-	-	-	13,065,000
	(11,602,750)	-	-	-	(11,602,750)
Synegra EMS Limited *	5,880,198	-	-	-	5,880,198
	(2,847,131)	-	-	-	(2,847,131)
Telesmart SCS Limited *	2,740,705	-	-	-	2,740,705
	(486,360)	-	-	-	(486,360)
Charge received for consumption of Electricity					
Digisol Systems Limited	600,000	-	-	-	600,000
	-	-	-	-	-
Management Support Fees Income					
Digisol Systems Limited *	1,350,000	-	-	-	1,350,000
	(2,569,355)	-	-	-	(2,569,355)
Synegra EMS Limited *	900,000	-	-	-	900,000
	(1,427,420)	-	-	-	(1,427,420)
Telesmart SCS Limited *	600,000	-	-	-	600,000
	(350,000)	-	-	-	(350,000)
Repairs and maintenance - Others					
Digisol Systems Limited	-	-	-	-	-
	(182,427)	-	-	-	(182,427)
Office Expenses					
Digisol Systems Limited	21,377	-	-	-	21,377
	-	-	-	-	-
Purchase of Networking Products for incurring Corporate Social Responsibility Expenses					
Digisol Systems Limited	1,328,837	-	-	-	1,328,837
	-	-	-	-	-
Salary					
Ms. Arati K. Naik	-	-	-	-	-
	-	(1,262,226)	-	-	(1,262,226)
Rent Expense					
Ms. Arati K. Naik	-	-	-	-	-
	-	(360,000)	-	-	(360,000)
Dividend paid					
Mr. Kamalaksha R. Naik	-	22,976,544	-	-	22,976,544
	-	-	-	-	-
Ms. Arati K. Naik	-	-	-	4,420,640	4,420,640
	-	-	-	-	-

Notes forming part of the financial statements

c) Details of related party transactions during the year (contd.)

Amount in ₹

Nature of transactions	Subsidiary	Key Management Person	Enterprise over which key management person is able to exercise significant influence	Relative of key management person	Total
Mr. Kamalaksha R. Naik (HUF)	-	-	503,114	-	503,114
Mrs. Sudha K. Naik	-	-	-	2,200,754	2,200,754
Mrs. Lakshana A. Sharma	-	-	-	2,879,736	2,879,736
	-	-	-	-	-
Consideration paid for Buyback of Shares					
Mr. Kamalaksha R. Naik	-	-	-	-	-
	-	(459,219,310)	-	-	(459,219,310)
Ms. Arati K. Naik	-	-	-	-	-
	-	(88,352,880)	-	-	(88,352,880)
Mr. Kamalaksha R. Naik (HUF)	-	-	-	-	-
	-	-	(10,055,540)	-	(10,055,540)
Mrs. Sudha K. Naik	-	-	-	-	-
	-	-	-	(43,985,260)	(43,985,260)
Mrs. Lakshana A. Sharma	-	-	-	-	-
	-	-	-	(53,678,020)	(53,678,020)
Investment in Subsidiary Companies					
Digisol Systems Limited - Equity Shares	-	-	-	-	-
	(160,000,000)	-	-	-	-
Synegra EMS Limited - Equity Shares	-	-	-	-	-
	(45,000,000)	-	-	-	-
Telesmart SCS Limited - Equity Shares	23,800,000	-	-	-	23,800,000
	(5,000,000)	-	-	-	-
Digisol Systems Limited - Issue of Debentures	-	-	-	-	-
	(300,000,000)	-	-	-	(300,000,000)
Digisol Systems Limited - Redemption of Debentures	50,000,000	-	-	-	50,000,000
	-	-	-	-	-
Bank Guarantee given on behalf of					
Digisol Systems Limited	-	-	-	-	-
	(90,000,000)	-	-	-	(90,000,000)
As at the year-end					
Amount due from Digisol Systems Limited	675,200	-	-	-	675,200
	(2,611,826)	-	-	-	(2,611,826)
Digisol Systems Limited - Debentures	250,000,000	-	-	-	250,000,000
	(300,000,000)	-	-	-	(300,000,000)
Digisol Systems Limited - Debentures Interest accrued	4,438,356	-	-	-	4,438,356
	(5,326,027)	-	-	-	(5,326,027)
Synegra EMS Limited	501,786	-	-	-	501,786
	(791,683)	-	-	-	(791,683)
Telesmart SCS Limited	230,693	-	-	-	230,693
	(1,065,431)	-	-	-	(1,065,431)
Amount due to Digisol Systems Limited	-	-	-	-	-
	(182,427)	-	-	-	(182,427)

* The amounts are exclusive of Service Tax.

Note:

1) Figures in brackets are those of the previous year.

Notes forming part of the financial statements

NOTE 37: DISCONTINUED OPERATIONS

The Board of Directors of the Company at its meeting held on 04th August, 2016 had approved the sale of its "Digisol Business" comprising of Selling and Marketing of various categories of Networking and Information Technology (IT) Products sold under brand name "DIGISOL", hereinafter referred to as ("Digisol Business") and "EMS Business" comprising mainly of manufacture of various categories of electronic and IT products, to Digisol Systems Limited ("Digisol") and Synegra EMS Limited ("Synegra") respectively both 100% subsidiaries of the Company.

The Digisol Business and EMS Business together with its respective assets and liabilities, were transferred to Digisol and Synegra on a 'slump sale' basis as a going concern, for a cash consideration of ₹190,000,000/- and ₹33,000,000/- respectively adjusted for net working capital changes as on the closing date.

In this connection, the Company obtained the shareholder's approval through postal ballot on 16th September, 2016 and signed the Business Transfer Agreement dated 24th September, 2016. The closing date for the transfer as per the Business Transfer Agreement was 10th October, 2016. Subsequently, the Company had received the aforesaid amount on 15th November, 2016.

Accordingly, the Digisol Business and EMS Business is considered as a 'discontinued operation' in terms of Accounting Standard 24 on 'Discontinued Operations' (AS 24).

The disclosures required under AS 24 are as under:

- a. Details of revenue and expenses and assets and liabilities of continuing and discontinued operations:

Amount in ₹

Particulars	2016-17		
	Continuing Operation	Discontinued Operation	Total
Turnover (net)	216,421,183	453,925,286	670,346,469
Other Income	25,230,748	5,896,201	31,126,949
Total Income	241,651,931	459,821,487	701,473,418
Total Expenditure	123,401,940	508,403,415	631,805,355
Profit / (Loss) before tax	118,249,991	(48,581,928)	69,668,063
Provision for taxation	82,735,633	(33,494,832)	49,240,801
Profit / (Loss) after tax	35,514,358	(15,087,096)	20,427,262
Assets	3,433,011,517	399,656,299	-
Liabilities	37,101,680	143,460,367	-

- b. Cash flow from continuing and discontinued operations:

Amount in ₹

Particulars	2016-17		
	Continuing Operation	Discontinued Operation	Total
Net cash from operating activities	(89,025,570)	(83,776,433)	(172,802,003)
Net cash (used in) / from investing activities	976,187,345	9,730,211	985,917,556
Net cash (used in) financing activities	(821,615,061)	197	(821,614,864)

NOTE 38: DISCLOSURE REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

- a) Particulars of Guarantees given

Amount in ₹

Sr. No.	Name of the entity	Opening Balance	Guarantees given	Guarantees Discharged	Outstanding balance	Purpose
1	Digisol Systems Limited	40,000,000	-	-	40,000,000	To HDFC Bank, for the working capital limit availed
2	Digisol Systems Limited	50,000,000	-	-	50,000,000	To Kotak Mahindra Bank, for working capital limit availed

Notes forming part of the financial statements

b) Particulars of Investments made during the year

Sr. No.	Name of the Investee	Investment made	Purpose
1	Telesmart SCS Limited	23,800,000	In Equity Shares as Strategic Investment

NOTE 39: OTHER DISCLOSURE

a. In light of section 135 of the Companies Act 2013, the company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹18,73,837/- (Previous year ₹1,194,775/-) for CSR activities carried out during the current year.

Particulars	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
a) Gross amount required to be spent by the company during the year	1,864,672	1,068,548
b) Amount spent during the year on the following		
1. Construction / acquisition of any asset	-	-
2. On purpose other than (1) above		
- Installation of Networking products in various schools	1,328,837	-
- Prime Minister's National Relief Fund	345,000	600,000
- Aspiring Entrepreneurs Workshop/ mentoring sessions for educational institutions	200,000	594,755
	<u>1,873,837</u>	<u>1,194,755</u>

NOTE 40:

The information provided in Note no. 25 to 28, 30 includes information pertaining to Discontinued Operations.

NOTE 41:

Previous year's figures have been regrouped, wherever necessary, to correspond with those of the current year.

Signature to notes 1 to 41

For and on behalf of the Board

K. R. Naik
Executive Chairman
DIN: 00002013

Urjita Damle
Company Secretary

K. M. Gaonkar
Director
DIN: 00002425

K. G. Prabhu
Chief Financial Officer

Mumbai, dated: 11th May, 2018

Independent Auditor's Report

TO THE MEMBERS OF SMARTLINK HOLDINGS LIMITED (formerly known as Smartlink Network Systems Limited)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Smartlink Holdings Limited** (formerly known as **Smartlink Network Systems Limited**) (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (the 'consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the 'Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of one subsidiary whose financial statements reflects total assets of ₹ 322.34 Lakhs as at 31st March, 2018, total revenues of ₹ 440.01 Lakhs and net cash outflows of ₹ 7.19 Lakhs for the year ended as on that date, as considered in the consolidated financial statements. The aforesaid financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the such other auditors/ financial information certified by the Management.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the group companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note 28 of the consolidated financial statements);
 - 2) the Group did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and
 - 3) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For Sharp & Tannan LLP

Chartered Accountants

Firm's Registration No. 127145W/W100218

By the hand of

Darryl Frank

Partner

(Membership No. 104096)

Place : Mumbai

Date : 11th May, 2018

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 2(f) of our report of even date)

We have audited the internal financial controls with reference to financial statements of Smartlink Holdings Limited (formerly known as **Smartlink Network Systems Limited**) ("the Holding Company") and its subsidiary companies which are incorporated in India as of 31st March, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiary companies incorporated in India, internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary companies incorporated in India, internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements include those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies incorporated in India, have in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2018, based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiary companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Sharp & Tannan LLP

Chartered Accountants

Firm's Registration No.127145W/W100218

By the hand of

Darryl Frank

Partner

(Membership No.104096)

Place : Mumbai

Date : 11th May, 2018

Consolidated Balance Sheet

as at 31st March, 2018

Particulars	Note No.	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	45,100,000	45,100,000
(b) Reserves and surplus	4	3,115,450,181	3,201,957,924
		3,160,550,181	3,247,057,924
(2) Minority Interest		6,343,629	-
(3) Non-current liabilities			
(a) Deferred tax liabilities (Net)	39	11,611,505	13,674,274
(b) Other long term liabilities	5	112,342	307,844
(c) Long-term provisions	6	3,329,442	2,353,110
		15,053,289	16,335,228
(4) Current liabilities			
(a) Short-term borrowing	7	39,643,959	6,825,475
(b) Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises		843,404	467,480
Total outstanding dues of creditors other than micro enterprises and small enterprises		150,015,445	132,120,074
(c) Other current liabilities	9	34,062,332	54,072,673
(d) Short-term provisions	10	5,169,548	2,686,003
		229,734,688	196,171,705
Total		3,411,681,787	3,459,564,857
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Property, plant and equipment	11 a	202,726,448	216,444,595
(ii) Intangible assets	11 b	9,933,674	7,358,435
		212,660,122	223,803,030
(b) Long-term loans and advances	12	29,954,904	21,146,576
(c) Other non-current assets	13	5,164,855	-
		247,779,881	244,949,606
(2) Current assets			
(a) Current investments	14	2,732,533,435	2,587,513,760
(b) Inventories	15	152,237,229	287,501,656
(c) Trade receivables	16	134,690,564	146,715,976
(d) Cash and bank balance	17	55,973,057	136,473,126
(e) Short-term loans and advances	18	55,000,684	22,937,766
(f) Other current assets	19	33,466,937	33,472,967
		3,163,901,906	3,214,615,251
Total		3,411,681,787	3,459,564,857

See accompanying notes forming part of the Financial Statements 1-42

In terms of our report attached

For Sharp & Tannan LLP

Chartered Accountants

ICAI Firm Registration No. 127145W/W100218

Darryl Frank

Partner

Membership No. 104096

Mumbai, dated: 11th May, 2018

For and on behalf of the Board

K. R. Naik

Executive Chairman

DIN: 00002013

Urjita Damle

Company Secretary

Mumbai, dated: 11th May, 2018

K. M. Gaonkar

Director

DIN: 00002425

K. G. Prabhu

Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2018

Particulars	Note No.	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
I Revenue from operations (gross)	20	980,945,686	1,073,955,283
Less: Excise duty		6,712,678	36,572,984
Revenue from operations (net)		974,233,008	1,037,382,299
II Other income	21	10,257,090	15,544,514
III Total Revenue (I + II)		984,490,098	1,052,926,813
IV Expenses:			
Cost of raw materials consumed	22	108,892,355	361,988,501
Purchases of traded goods	23	374,356,879	454,068,282
Decrease/(Increase) in inventories of finished goods, work-in-progress and traded goods	24	149,170,423	(172,353,442)
Employee benefits expense	25	170,987,482	208,835,685
Finance costs	26	1,901,548	1,679,364
Depreciation and amortisation expense	11	18,488,030	16,517,204
Other expenses	27	158,059,609	230,075,623
Total Expenses		981,856,326	1,100,811,217
V Profit / (Loss) before tax (III - IV)		2,633,772	(47,884,404)
VI Tax Expenses			
- Current tax		48,310,000	19,716,036
- MAT credit entitlement		(11,887,188)	-
- Deferred tax	39	(2,062,769)	29,524,765
- Short Provision of Income Tax in earlier year		1,356,547	-
		35,716,590	49,240,801
VII (Loss) for the year (V-VI) before Minority Interest		(33,082,818)	(97,125,205)
VIII Share in Loss attributable to Minority Interest		856,371	-
IX (Loss) for the year (VII-VIII)		(32,226,447)	(97,125,205)
X Earnings per equity share (Face value of ₹2/- per share)			
Basic and Diluted	38	(1.43)	(3.98)
See accompanying notes forming part of the Financial Statements	1-42		

In terms of our report attached

For Sharp & Tannan LLP
Chartered Accountants
ICAI Firm Registration No. 127145W/W100218

Darryl Frank
Partner
Membership No. 104096

Mumbai, dated: 11th May, 2018

For and on behalf of the Board

K. R. Naik
Executive Chairman
DIN: 00002013

Urjita Damle
Company Secretary

Mumbai, dated: 11th May, 2018

K. M. Gaonkar
Director
DIN: 00002425

K. G. Prabhu
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended 31st March, 2018

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
A. Cash flows from operating activities		
Profit / (Loss) before tax	2,633,772	(47,884,404)
Adjustments for:		
Depreciation and amortisation expense	18,488,030	16,517,204
(Profit)/Loss on fixed assets sold / written off (net)	(226,094)	180,747
Gain on sale of current investments (net)	(92,410,783)	(140,327,478)
Write back of adjustment for Excess of cost over fair value of current investments (net)	839,726	(167,954)
Provision for doubtful debts and advances (net)	(1,184,739)	641,918
Bad debts written off	464	1,773,158
Sundry balances written off	570,233	334,539
Unrealised exchange differences	45,943	(649,153)
Sundry balances written back	-	(307,864)
Finance costs	1,901,548	1,679,364
Interest income	(66,925,293)	(68,720,789)
Dividend income	(5,057,639)	(4,535,275)
Operating (loss) before working capital changes	(141,324,832)	(241,465,987)
Decrease / (Increase) in trade receivables	12,482,289	(29,973,784)
Decrease / (Increase) in inventories	135,264,427	(182,482,543)
(Increase) / Decrease in loans and advances	(56,270,378)	26,854,475
(Decrease) / Increase in trade and other payables	(1,322,179)	90,908,663
Cash (used in) operations	(51,170,673)	(336,159,176)
Direct taxes (paid) (net)	(39,128,805)	(980,257)
Net cash (used in) operating activities	(90,299,478)	(337,139,433)
B. Cash flows from investing activities		
Purchase of fixed assets (Refer note 2)	(4,190,404)	(25,639,774)
Sale of fixed assets	729,731	189,009
Purchase of current investments	(5,042,988,972)	(11,440,977,509)
Sale of current investments	4,989,540,352	12,297,088,438
Bank balances not considered as Cash and bank balance		
Placed	(59,353,577)	(104,400,591)
Matured	179,316,813	366,204,557
Dividend received	5,057,639	4,535,275
Interest received	66,931,323	53,351,315
Net cash from investing activities	135,042,905	1,150,350,720
C. Cash flows from financing activities		
Buyback of Parent Company's equity shares	-	(820,033,500)
Proceeds received from issue of Equity shares in subsidiary	3,600,000	-
Proceeds received on account of short term borrowings	32,818,484	6,825,475
Dividend paid	(54,178,799)	(106,718)
Interest paid	(1,895,946)	(1,548,007)
Net cash (used in) financing activities	(19,656,261)	(814,862,750)
Net Increase / (Decrease) in cash and bank balance	25,087,166	(1,651,463)
Cash and bank balance at the beginning of the year	9,271,486	10,928,380
Effect of exchange differences on restatement of foreign currency Cash and bank balance	40,857	(5,431)
Cash and bank balance at the end of the year (Refer note 3)	34,399,509	9,271,486
Notes:		
1. Cash flows are reported using the indirect method.		
2. Purchase of fixed assets are stated inclusive of movements of capital work-in-progress and capital creditors between the commencement and end of the year and are considered as part of investing activity.		
3. Reconciliation of Cash and bank balance:		
Cash and bank balance (Refer note 17)	55,973,057	136,473,126
Less: Bank balances not considered as Cash and bank balance as defined in Accounting Standard (AS) 3 on 'Cash Flow Statements'		
In deposits accounts		
Original maturity more than 3 months	-	122,989,313
In earmarked accounts:		
Unpaid dividend accounts	2,073,548	1,971,048
Deposits held as margin money	19,500,000	2,241,279
Net Cash and bank balance as defined in AS3 on 'Cash Flow Statements'	34,399,509	9,271,486

In terms of our report attached

For Sharp & Tannan LLP
Chartered Accountants
ICAI Firm Registration No. 127145W/W100218

Darryl Frank
Partner
Membership No. 104096

Mumbai, dated: 11th May, 2018

For and on behalf of the Board

K. R. Naik
Executive Chairman
DIN: 00002013

Ujjita Damle
Company Secretary

Mumbai, dated: 11th May, 2018

K. M. Gaonkar
Director
DIN: 00002425

K. G. Prabhu
Chief Financial Officer

Notes forming part of the consolidated financial statements

NOTE 1: BACKGROUND

The Consolidated Financial Statement of Smartlink Holdings Limited (formerly known as Smartlink Network Systems Limited) ("The Parent Company") comprise of the financial statements of the Parent Company and Digisol Systems Limited, Synegra EMS Limited, Telesmart SCS Limited (Subsidiaries of the Parent Company), together referred to as the 'Group'.

The change in name of the parent company is effective from 18th April, 2018.

Digisol Systems Limited is in the business of developing, manufacturing, selling, marketing and servicing of various categories of Networking and Information Technology (IT) products. Synegra EMS Limited is in the business of manufacture of various categories of electronic and IT products on job work basis and also engages in contract manufacturing for Original Equipment Manufacturers (collectively the activities constitute Electronic Manufacturing Services (EMS) business).

Telesmart SCS Limited is in the business of manufacture of various categories of electronic and IT products.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting and preparation of financial statements

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act"), and the relevant provisions of the Act. The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for building acquired by Parent Company through amalgamation, that is carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) Principles of Consolidation:

The Consolidated Financial Statements have been prepared on the following basis:

- (i) The Financial Statements of the Subsidiary Companies used in consolidation is drawn upto the same reporting date as that of the Parent Company i.e. year ended 31st March, 2018 and are audited.
- (ii) The Financial Statements of the Parent Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered.
- (iii) Minorities Interest in net profit or loss of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary company was made and further movements in their share in the equity, subsequent to the date of Investment. Net loss for the year of the subsidiary attributable to minority interest is identified and adjusted against the profit after tax of the group in order to arrive at the income attributable to shareholders of the company.
- (iv) The following Subsidiary Companies (incorporated in India) have been considered in the preparation of Consolidated Financial Statements:

Name	% holding as at 31 st March, 2018	% holding as at 31 st March, 2017
Digisol Systems Limited	100%	100%
Synegra EMS Limited	100%	100%
Telesmart SCS Limited	80% *	100%

* Telesmart SCS Limited has ceased to be wholly-owned subsidiary w.e.f. 20th September, 2017. Consequently, Minority Interest has been computed and disclosed separately.

(c) Use of estimates

The preparation of consolidated financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of consolidated financial statements and the reported amounts of revenues and expenses during the reported year.

Differences between the actual results and estimates are recognised in the year in which the results are known / materialised.

(d) Inventories

Items of inventory are valued at lower of cost and net realisable value, on the following basis:

- (i) Raw materials, components, stores and spares - on weighted average basis.
- (ii) Work-in-progress and finished goods - on the basis of absorption costing comprising of direct costs and overheads other than financial charges.
- (iii) Traded goods - on weighted average basis.

(e) Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Motor Vehicle	- 5 years
Plant and Equipment	- 8 years
Furniture and Fixture	- 8 years

Leasehold Land is amortised over the duration of the lease.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Computer Software (ERP)	- 3 years
Computer Software (Other Softwares)	- 4 years
Technical know-how	- 5 years

(f) Revenue recognition

Income from debentures and bonds is accrued over the maturity of the security. Profit/Loss on sale of investments is recognised on the contract date. Dividend income is accounted for when the right to receive the same is established.

Notes forming part of the consolidated financial statements

Revenue (income) is recognized when no significant uncertainty as to determination/ realization exists.

Revenue from sale of products is recognised net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods. Sales include excise duty but exclude, goods and service tax, sales tax and value added tax.

Revenue from services is recognised when the services are rendered. Revenue from maintenance contracts are recognised pro-rata over the period of contract. Interest income is accounted on accrual basis.

(g) Fixed assets

(i) Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any

(ii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

(h) Foreign currency transactions

Transactions in foreign currencies are recorded at the original rates of exchange in force at the time the transactions are effected. In case of forward exchange contracts or other financial instruments that is in substance a forward exchange contract, other than for trading or speculation purposes, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of contract. Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognised as income or expense. At the year-end, monetary items denominated in foreign currency and the relevant foreign exchange contracts are reported using the closing rate of exchange.

Exchange difference arising thereon and on realization / payments of foreign exchange are accounted as income or expenses in the relevant year.

(i) Government grants

Grants relating to specific fixed assets are disclosed as a deduction from the value of the concerned assets. Grants related to revenue are credited to the Consolidated Statement of Profit and Loss. Grants in the nature of promoter's contribution are treated as Capital reserve.

(j) Investments

Long-term (non-current) investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognize the decline. Current investments are carried at lower of cost and fair value.

(k) Employee Benefits

Compensation to employees for service rendered is accounted for in accordance with AS-15 on "Employee Benefits".

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of 12 months after rendering services, are charged as expense to the Statement of profit and loss in the period in which the service is rendered.

Employee Benefits such as defined benefit plan and other long term employee benefits, such as gratuity and compensated absences which fall due for payment after a period of 12 months from rendering services and after completion of employment are measured by the Project Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The company's obligation recognised in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(l) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(m) Assets taken on Lease (Hire Purchase)

Assets taken on finance lease (including on hire purchase) on or after 1st April, 2001 are accounted for as fixed assets in accordance with Accounting Standard 19 on "Leases", (AS 19). Accordingly, the assets have been accounted at fair value.

Lease payments are apportioned between finance charge and reduction of outstanding liability.

(n) Taxes on income

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred income-tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets in case there are unabsorbed depreciation and losses are recognised if there is virtual certainty that supported by convincing evidence sufficient future taxable income will be available to realise the same (Refer note 39)

(o) Impairment of assets

At the end of each accounting period, the Group determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". An impairment loss is charged to the Consolidated Statement of Profit and Loss in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value.

The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(p) Provisions and contingencies

Provision is recognised in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any are disclosed in the notes to the Consolidated Financial Statements.

Notes forming part of the consolidated financial statements

	₹	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
NOTE 3: SHARE CAPITAL			
Authorised			
35,000,000 Equity Shares of ₹2/- each		70,000,000	70,000,000
Issued, subscribed and paid-up			
22,550,000 (Previous year 30,004,850) Equity Shares of ₹2/- each, fully paid-up	45,100,000		60,009,700
Less: NIL (Previous year 7,454,850) Equity Shares purchased under buyback scheme	-		14,909,700
		45,100,000	45,100,000
Total		45,100,000	45,100,000

a) Terms / rights attached to equity shares

The Parent Company has only one class of Equity shares having a par value of ₹2/- per share. Each holder of Equity shares is entitled to one vote per share and each Equity share carries an equal right to dividend and in case of repayment of capital.

b) Reconciliation of the number of shares outstanding

	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	22,550,000	30,004,850
Less: Shares bought-back during the year (refer Footnote 1 below)	-	7,454,850
Shares outstanding at the end of the year	22,550,000	22,550,000

Footnote:

- 1) The Board of Directors of the Parent Company at its meeting held on 29th February, 2016 and the Shareholder of the Parent Company through postal ballot on 14th April, 2016 had approved the proposal of the Parent Company to buy-back up to 7,454,850 fully paid-up equity shares of ₹2/- each at a price of ₹110/- per share (aggregating up to 24.85% of the fully paid-up equity share capital and free reserves of the Parent Company), payable in cash for an aggregate amount of up to ₹820,033,500/- from the existing shareholders of the Parent Company under Tender Offer mechanism. The offer was kept open from 6th June, 2016 to 17th June, 2016. The Parent Company has bought back 7,454,850 equity shares, representing 100.00% of issue size and the shares were extinguished on 30th June, 2016.
- 2) The Board of Directors of the Parent Company at its meeting held on 7th April, 2018 and the shareholder of the Parent Company at the Extraordinary General Meeting held on 4th May, 2018 had approved the proposal to buyback equity shares up to 5,600,000 (aggregating up to 24.83% of the capital of the Parent Company), payable in cash for an aggregate paid-up equity share amount of up to ₹672,000,000/-.

c) Details of shareholders holding more than 5% shares in the Parent company.

	As at 31 st March, 2018		As at 31 st March, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹2/- each fully paid-up				
Mr. Kamalaksha R. Naik	11,488,272	50.95%	11,488,272	50.95%
Ms. Arati K. Naik	2,255,000	10.00%	2,210,320	9.80%
Mrs. Lakshana A. Sharma	1,664,486	7.38%	1,342,859	5.96%
Mrs. Sudha K. Naik	1,127,500	5.00%	1,100,377	4.88%

Notes forming part of the consolidated financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
NOTE 4: RESERVES AND SURPLUS		
Capital Reserve		
State Government subsidy		
As per last Balance sheet	2,500,000	2,500,000
Statutory Reserve		
As per Section 45-IC of the Reserve Bank of India Act, 1934	22,003,927	-
Securities Premium Account		
As per last Balance sheet	278,614,693	278,614,693
Revaluation Reserve		
As per last Balance sheet	37,183,524	37,183,524
General Reserve		
As per last Balance sheet	556,720,271	556,720,271
Capital Redemption Reserve		
As per last Balance sheet	14,909,700	14,909,700
(Previous year 7,454,850) Equity Shares of ₹2/- each purchased under buyback scheme		
Surplus in Consolidated Statement of Profit and Loss		
As per last Balance sheet	2,312,029,739	3,229,188,441
Add : (Loss) for the year	(32,226,447)	(97,125,205)
Less : Amount paid to Shareholders for purchase of shares under buyback scheme	-	820,033,500
Less : Appropriations		-
Dividend	45,100,000	-
Dividend distribution tax	9,181,299	-
Transferred to Statutory Reserve fund	22,003,927	-
Closing balance	2,203,518,066	2,312,029,736
Total	3,115,450,181	3,201,957,924
NOTE 5: OTHER LONG-TERM LIABILITIES		
<u>Other payables:</u>		
Security deposits	95,206	279,284
Unearned revenue	17,136	28,560
Total	112,342	307,844
NOTE 6: LONG-TERM PROVISIONS		
<u>Provision for employee benefits</u>		
For Gratuity (Refer note 35)	1,122,142	-
For Leave encashment	2,207,300	2,353,110
Total	3,329,442	2,353,110
NOTE 7: SHORT TERM BORROWING		
<u>Secured Loans</u>		
Bank Overdraft (Refer footnote below)	9,643,959	6,825,475
<u>Unsecured Loans</u>		
Loan from Director (Refer footnote below)	30,000,000	-
Total	39,643,959	6,825,475

Footnote:
Secured Loans

Bank Overdraft of current year pertains to Synegra EMS Limited and is secured by charge on its Fixed Deposits and that of previous year pertains to Digisol Systems Limited is secured by charge ranking pari passu, by way of hypothecation of all existing and future current assets.

Unsecured Loans

Loan from Director to be repaid within 12 months from the date of accepting the loan.

Notes forming part of the consolidated financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
NOTE 8: TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises (Refer footnote below)	843,404	467,480
Total outstanding dues of creditors other than micro enterprises and small enterprises	150,015,445	132,120,074
Total	150,858,849	132,587,554
Footnote:		
The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the Company.		
Particulars		
Outstanding principal amount and interest as on 31 st March 2018		
- Principal Amount	843,404	467,480
- Interest due thereon	1,360	1,360
Amount of interest paid along with the amounts of payment made beyond the appointed day	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	17,739	17,739
The amount of interest accrued and remaining unpaid at the end of each accounting year	19,099	19,099
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 23 of the said Act	-	-
NOTE 9: OTHER CURRENT LIABILITIES		
Interest accrued on Loan from Directors	660,822	-
Capital creditors	177,509	119,157
Unearned revenue	11,424	13,092
Unpaid dividends	2,073,548	1,971,048
Temporary overdrawn bank balance as per books	-	322,848
Other payables:		
Provision for Gratuity (Refer note 35)	102,034	681,796
Statutory dues	3,945,409	22,662,464
Security deposits	3,632,398	2,600,100
Interest accrued on delayed payment to MSME vendors (Refer Note 8)	24,701	19,099
Payable to Customer	22,845,435	25,106,702
Advance from customers	589,052	576,367
Total	34,062,332	54,072,673
NOTE 10: SHORT-TERM PROVISIONS		
Provision for employee benefits		
For Leave encashment	1,020,981	1,107,998
Others		
For Income-tax (net of advance tax ₹121,025,140/-, (Previous year ₹103,425,448/-))	4,148,567	1,578,005
Total	5,169,548	2,686,003

Notes forming part of the consolidated financial statements

NOTE 11: FIXED ASSETS

Nature of assets	Gross block			Depreciation/Amortisation			Net block
	As at 01 st April, 2017	Additions	Deductions	As at 31 st March, 2018	For the year	Deductions	As at 31 st March, 2018
a Property, plant and equipment:							
Land							
Freehold	8,791,000	-	-	8,791,000	-	-	-
	(8,791,000)	-	-	(8,791,000)	-	-	-
Leasehold	9,278,538	-	-	1,681,785	94,889	-	7,501,864
	(9,278,538)	-	-	(9,278,538)	(98,670)	-	(7,596,753)
Buildings							
Own use	225,771,053	-	-	66,552,485	4,748,898	-	154,469,670
	(272,428,725)	-	-	(86,569,553)	(6,234,662)	-	(179,624,510)
Given under operating lease	46,657,672	-	-	26,251,730	1,434,473	-	18,971,469
	-	-	-	-	-	-	-
Plant and Equipment	158,851,349	1,123,423	-	143,643,519	2,706,620	-	13,624,633
	(154,908,970)	(12,621,818)	(8,679,439)	(158,851,349)	(2,116,831)	(8,570,958)	(15,207,830)
Furniture and Fixture	30,330,726	-	-	28,664,725	545,821	-	1,120,180
	(30,090,314)	(501,267)	(260,855)	(30,330,726)	(577,309)	(236,336)	(1,666,001)
Vehicles	6,280,851	-	1,622,213	4,658,638	730,107	1,164,337	776,967
	(6,851,265)	(731,476)	(1,301,890)	(6,280,851)	(1,051,976)	(1,105,754)	(1,964,950)
Office equipment	13,933,000	119,323	21,499	13,999,303	245,988	4,792	390,325
	(13,834,007)	(112,149)	(13,156)	(13,933,000)	(410,822)	(13,156)	(533,697)
Others							
Electrical installations	40,763,581	22,000	-	38,051,795	1,974,961	-	758,825
	(40,763,581)	-	-	(35,872,624)	(2,179,171)	-	(2,711,766)
Air conditioners	35,313,732	354,532	-	30,758,054	1,340,121	-	3,570,089
	(33,847,841)	(1,551,766)	(85,875)	(35,313,732)	(1,355,146)	(45,255)	(4,555,678)
Computers	36,959,289	212,478	963,294	34,375,899	1,224,389	934,241	1,542,426
	(34,152,899)	(2,913,939)	(107,549)	(33,602,589)	(880,859)	(107,549)	(2,583,390)
Property, Plant and Equipment total	612,930,791	1,831,756	2,607,006	396,486,196	15,046,267	2,103,370	202,726,448
	(604,947,140)	(18,432,415)	(10,448,764)	(391,659,758)	(14,905,446)	(10,079,008)	(216,444,595)
b Intangible assets:							
Computer software - acquired	42,508,685	2,242,000	-	35,150,248	3,042,762	-	6,557,675
	(35,182,168)	(7,326,516)	-	(33,538,491)	(1,611,758)	-	(7,358,435)
Technical Know-how	-	3,775,000	-	-	399,001	-	3,375,999
	-	-	-	-	-	-	-
Intangible assets totals	42,508,685	6,017,000	-	35,150,248	3,441,763	-	9,933,674
	(35,182,168)	(7,326,516)	-	(33,538,491)	(1,611,758)	-	(7,358,435)
Total	655,439,476	7,848,756	2,607,006	431,636,444	18,488,030	2,103,370	212,660,122
	(640,129,308)	(25,758,931)	(10,448,764)	(425,198,249)	(16,517,204)	(10,079,008)	(223,803,030)

Footnotes:

- Leasehold land/ premises include:
 - Plots of land of the aggregate gross value of ₹7,592,538/- (previous year ₹7,592,538/-), taken on lease from the Goa Industrial Development Corporation (GIDC) for an initial period of thirty years. The same has been extended to ninety-five years.
 - Land and premises of the aggregate gross value of ₹1,686,000/- (previous year ₹1,686,000/-), taken on lease from Maharashtra Industrial Development Corporation (MIDC) for an initial period of ten years. The same has been extended to ninety-five years.

Title deeds in respect of the above are in the names of GIDC and MIDC respectively.

- Part of the building given on Operating Lease cannot be segregated from Building classified as for own use.

- Figures in brackets are those of the previous year.

Notes forming part of the consolidated financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
NOTE 12: LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good (unless stated otherwise):		
Capital Advances	1,291,550	-
Security deposits	6,180,984	1,822,466
Prepaid expenses	198,061	59,809
Others:		
Advance payment of taxes (net of provision ₹79,730,287/-, (previous year ₹63,857,475/-))	8,728,570	4,808,562
Customs duty receivable	2,155,739	2,155,739
Pre-deposit with Government authorities in connection with appeals filed (Refer note 28 A)	11,400,000	12,300,000
	29,954,904	21,146,576
Unsecured, considered doubtful:		
Security deposits	798,635	798,635
Less: Provision for doubtful deposits	798,635	798,635
	-	-
Total	29,954,904	21,146,576
NOTE 13: OTHER NON-CURRENT ASSETS		
Bank deposits	2,664,855	-
Bank deposits held as margin money	2,500,000	-
Total	5,164,855	-
NOTE 14: CURRENT INVESTMENTS		
Investments in Mutual Funds (unquoted) (At lower of cost and fair value)		
In Mutual Funds (unquoted)	2,134,328,061	1,930,809,060
Less: Adjustment for excess of cost over fair value	1,139,786	-
	2,133,188,275	1,930,809,060
Investments in Debentures or Bonds (quoted)		
In Debentures (quoted)	555,479,480	563,139,080
Less: Adjustment for excess of cost over fair value	1,272,400	1,572,460
	554,207,080	561,566,620
Investments in Preference Shares (unquoted)		
In Preference Shares (unquoted)	25,138,080	25,138,080
Investments in Deposits (unquoted)		
In Fixed Deposits (unquoted) (Refer footnote below)	20,000,000	70,000,000
Total	2,732,533,435	2,587,513,760
Aggregate value of investments (net of adjustment)		
Unquoted - cost	2,178,326,355	2,025,947,140
Quoted - cost	554,207,080	561,566,620
- Market value	560,493,277	565,153,025
Footnote:		
Investment in Deposits include deposits amounting to ₹20,000,000/- with residual maturity of more than 12 months		

Notes forming part of the consolidated financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
NOTE 15: INVENTORIES		
(At lower of cost and net realisable value)		
Raw materials and components (Includes Goods-in-transit of ₹2,781,260/- (Previous year, NIL))	38,338,102	25,581,218
Work-in-progress	31,403	2,607,269
Finished goods	3,608,700	137,229,257
Traded goods (Includes Goods-in-transit of ₹7,138,187/- (Previous year, ₹8,198,160/-))	105,997,359	118,971,359
Stores, spares and packing materials (Includes Goods-in-transit of ₹1,695,984/- (Previous year, NIL))	4,261,665	3,112,553
Total	152,237,229	287,501,656
NOTE 16: TRADE RECEIVABLES		
Unsecured		
a) Outstanding for a period exceeding six month from the date they were due for payment		
Considered doubtful	12,588,195	13,021,841
Less: Provision for doubtful receivables	12,588,195	13,021,841
	-	-
b) Others		
Considered good	134,690,564	146,715,976
Total	134,690,564	146,715,976
NOTE 17: CASH AND BANK BALANCE		
Cash and cash equivalents		
Cash on hand	294,146	282,013
Cheques in hand	-	346,244
Balances with bank		
In Current accounts	31,306,520	8,619,885
In Exchange Earners Foreign Currency (EEFC) account	2,798,843	23,344
	34,399,509	9,271,486
Other bank balances		
In deposits accounts (Refer footnote below)	-	122,989,313
In earmarked accounts		
Unpaid dividend accounts	2,073,548	1,971,048
Deposits held as margin money (Refer footnote below)	19,500,000	2,241,279
	21,573,548	127,201,640
Total	55,973,057	136,473,126

Footnote:

Balances with bank include deposits amounting to ₹NIL (Previous year, ₹122,989,313/-) and margin monies amounting to ₹19,500,000/- (Previous year, ₹2,241,279/-) which have an original maturity of more than 12 months.

Notes forming part of the consolidated financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
NOTE 18: SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good (unless otherwise stated) :		
Other receivables	35,399	6,749
Security deposits (refer footnote below)	1,631,600	883,000
Advances / Loans to Employees	768,968	837,759
Prepaid expenses	2,770,090	4,880,808
Others :		
VAT credit receivable	-	23,321
CENVAT / Service tax credit receivable	-	7,697,316
GST Credit receivable	40,483,572	322,051
Custom duty receivable	824,514	-
Advances to suppliers	8,486,541	8,286,762
	55,000,684	22,937,766
Unsecured, considered doubtful :		
Other receivables	-	751,093
Less : Provision for doubtful advances	-	751,093
	55,000,684	22,937,766
Footnote:		
(i) Deposit with related party Arati Naik	-	600,000
NOTE 19: OTHER CURRENT ASSETS		
Interest accrued on		
Bank deposits	3,911,184	5,538,899
Debentures and Bonds held as current investments	29,555,753	27,934,068
Total	33,466,937	33,472,967
	For the year ended 31st March, 2018 ₹	For the year ended 31st March, 2017 ₹
NOTE 20: REVENUE FROM OPERATIONS		
Income from investments (Refer Footnote (i) below)	158,306,987	207,478,717
Sale of products (Refer Footnote (ii) below)	783,251,188	824,801,726
Sale of services (Refer Footnote (iii) below)	38,814,259	40,931,590
Other operating revenues (Refer Footnote (iv) below)	573,252	743,250
	980,945,686	1,073,955,283
Footnotes:		
(i) Income from investments		
Interest income		
- On fixed deposits with banks	8,956,501	17,296,986
- On bonds and securities	56,010,217	45,973,279
	64,966,718	63,270,265

Notes forming part of the consolidated financial statements

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
Other financial income		
- Dividend income from current investments	5,057,639	4,535,275
- Write back of adjustment for excess of cost over fair value of current investments (net)	-	167,954
- Gain on sale of current investments (net)	88,282,630	139,505,223
	93,340,269	144,208,452
Total	158,306,987	207,478,717
(ii) Sale of products comprises of		
<u>Finished goods</u>		
Networking products	191,325,665	380,175,744
<u>Traded Goods</u>		
Networking products	591,925,523	444,625,982
Total	783,251,188	824,801,726
(iii) Sale of Services comprises of		
Repair services	38,174,367	40,686,587
AMC services	13,092	156,353
Jobwork Charges and Service Training	626,800	88,650
Total	38,814,259	40,931,590
(iv) Other operating revenues		
Provision for doubtful debts and advances written back	433,646	-
Sundry balances written back	-	307,864
Recovery of trade receivables earlier written off	139,606	435,386
Total	573,252	743,250
NOTE 21: OTHER INCOME		
Interest income		
- On overdue trade receivables	-	364,735
- On Fixed Deposits with banks	496,761	-
- Interest on income tax refund	109,291	5,059,524
- Other Interest	1,352,523	26,265
	1,958,575	5,450,524
Gain on sale of current investments (net)	4,128,153	822,255
Rent income from operating leases	1,999,999	179,999
Profit on fixed assets sold / written off (net)	226,094	-
Exchange gain (net) (Refer note 29 (b))	724,580	7,036,513
Provision for doubtful debts and advances written back	751,093	-
Scrap income	468,596	2,055,223
Total	10,257,090	15,544,514

Notes forming part of the consolidated financial statements

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
NOTE 22: COST OF RAW MATERIALS CONSUMED		
Raw materials consumed comprises		
Intergrated circuits	29,999,405	116,404,119
Cords	10,961,320	-
Splice tray	10,535,074	-
Power supplies, batteries and accessories	10,460,318	56,866,844
Enclosures and parts	3,693,471	27,586,402
Inductors, chip beads & transformers	6,158,537	27,309,500
PCBs	11,067,843	22,806,695
Others	26,016,387	111,014,941
Total	108,892,355	361,988,501
NOTE 23: PURCHASE OF TRADED GOODS		
Networking products	374,356,879	454,068,282
NOTE 24: DECREASE / (INCREASE) IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Stock as at 1 April, 2017		
Finished goods		
- Manufactured	137,229,257	14,670,752
- Traded	118,971,359	71,308,777
Work-in-progress	2,607,269	474,914
	258,807,885	86,454,443
Less: Stock as at 31 March, 2018		
Finished goods		
- Manufactured	3,608,700	137,229,257
- Traded	105,997,359	118,971,359
Work-in-progress	31,403	2,607,269
	109,637,462	258,807,885
Decrease / (Increase)	149,170,423	(172,353,442)
NOTE 25: EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	157,208,624	192,945,558
Contribution to provident and other funds	4,981,875	4,733,015
Staff welfare expenses	6,123,812	9,121,847
Gratuity	2,029,550	1,013,212
Leave encashment	643,621	1,022,053
Total	170,987,482	208,835,685
NOTE 26: FINANCE COSTS		
Interest Expenses on:		
Loan from Directors	734,246	-
Delayed payments to MSME vendors (Refer Note 8)	26,549	19,099
Bank overdraft account	301,961	183,374

Notes forming part of the consolidated financial statements

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
Others		
- Interest on delayed payment of income tax	101,432	128,670
- Interest on statutory payments etc.	737,360	1,348,221
Total	1,901,548	1,679,364
NOTE 27: OTHER EXPENSES		
Stores, spares and packing material consumed	7,207,975	9,825,123
Excise duty (Refer Note 42 (c))	(11,947,904)	8,868,641
Power and fuel	10,975,573	12,044,621
Rent	5,402,791	5,101,424
Rates and taxes	2,190,978	2,444,450
Insurance	5,692,879	3,935,581
Repairs and maintenance		
Buildings	1,949,816	9,966,009
Machinery	140,997	1,851,252
Others	3,565,198	7,922,099
	5,656,011	19,739,360
Travelling and conveyance expenses	13,388,601	16,634,639
Communication expenses	5,080,306	7,258,794
Legal and Professional fees	31,143,237	42,751,186
Advertisement and sales development expenses	32,993,030	47,117,193
Freight Outward	14,383,314	8,357,196
Servicing expenses	12,183,229	8,969,655
Loss on fixed assets sold / written off	-	180,747
Provision for doubtful debts and advances	-	641,918
Customs write-off	926,752	-
Sundry balances written off	570,233	334,539
Bad debts written off	464	1,773,158
Expenditure on Corporate Social Responsibility (Refer note 42 (a))	1,873,837	1,194,775
Directors Sitting Fees	4,007,053	4,169,303
Excess of cost over fair value of current investments (non-trade) (net), adjusted	839,726	-
Miscellaneous expenses	15,491,524	28,733,320
Total	158,059,609	230,075,623

Notes forming part of the consolidated financial statements

	As at 31 st March, 2018 ₹	As at 31 st March, 2017 ₹
NOTE 28: CONTINGENT LIABILITIES AND COMMITMENTS		
A. Contingent liabilities in respect of		
a. Disputed demands of custom duty pending before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) in connection with classification of networking products. During the year the subsidiary, Digisol Systems Limited, has received the order from CESTAT partly accepting classification and the balance liability has been paid by the company after adjusting pre-deposit of ₹900,000/-.	-	2,414,221
b. Disputed demand of excise duty in connection with valuation of products manufactured by the Company pending before CESTAT (Amount deposited as pre-deposit ₹11,400,000/-)	38,715,672	38,715,672
c. Disputed penalty demands of Excise Authorities with regard to (b) above, pending before the CESTAT. The Penalty of ₹100,000/- has been dropped during the year.	39,078,633	39,178,633
d. Custom duty paid under protest The imported trading material/software are subjected to different rates of customs duty based on classification under respective Tariff Head. The Customs department has objected to the classifications adopted for certain items and has demanded additional duty for the same. During the period CESTAT accepted the classification and the subsidiary company Digisol Systems Limited is in the process of filing the refund claim for the duty paid under protest. The differential duty paid under protest, is included under Long term loans and advances in Note 12.	-	764,011
e. Disputed demand of value added tax pending with Ld. Joint Commissioner of Sales Tax, Dharamtala Circle, Kolkata The company is confident of successfully contesting the demand and does not expect any significant liability to crystallise.	5,107,661	-
B. Capital commitments Estimated amount of contracts remaining to be executed on capital account and not provided for.	92,500,000	-

C. Corporate Guarantees given by the Parent Company in favour of banks on behalf of:

Sr. No.	Name of the entity	Guarantees given	Bank to whom given	Purpose
1	Digisol Systems Limited	40,000,000	HDFC Bank Limited	Towards working capital limit.
2	Digisol Systems Limited	50,000,000	Kotak Mahindra Bank	Towards working capital limit.

NOTE 29: FOREIGN CURRENCY

- a) The year-end foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

Amount receivable in foreign currency on account of the following:

	As at 31 st March, 2018		As at 31 st March, 2017	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Trade receivables	USD 111,655	7,275,450	USD 141,491	9,173,572
Loans and advances	USD 59,180	3,822,537	USD 81,415	5,502,731

Amount payable in foreign currency on account of the following:

	As at 31 st March, 2018		As at 31 st March, 2017	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Trade payable	USD 897,398	58,492,404	USD 614,080	39,820,034

Notes forming part of the consolidated financial statements

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
b) Amount of exchange differences included in the Consolidated Statement of Profit and Loss		
Exchange gain	2,718,464	10,153,046
Exchange loss	1,993,883	3,116,533
NOTE 30: PAYMENT TO AUDITORS (NET OF GST AND SERVICE TAX)		
a) As Auditors	1,475,000	1,820,000
b) For other services - certification	-	380,000
c) For Expenses	13,741	51,038
Total	1,488,741	2,251,038

NOTE 31: CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIAL, STORES, SPARES AND PACKING MATERIAL

	For the year ended 31 st March, 2018		For the year ended 31 st March, 2017	
	₹	% age to total consumption	₹	% age to total consumption
a) Raw materials consumed				
Imported	94,336,466	86.63	337,199,860	93.15
Indigenous	14,555,889	13.37	24,788,641	6.85
Total	108,892,355	100.00	361,988,501	100.00
b) Stores, spares and packing materials consumed				
Imported	2,178,414	30.22	7,336,185	74.67
Indigenous	5,029,834	69.78	2,488,938	25.33
Total	7,207,975	100.00	9,825,123	100.00

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
NOTE 32: VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF:		
Raw materials and components	107,499,612	348,908,588
Stores, spares and packing materials	3,983,030	9,810,124
Capital goods	864,774	7,789,493
Traded goods	202,451,769	269,411,540
NOTE 33: EXPENDITURE IN FOREIGN CURRENCY:		
Travelling expenses	156,215	1,864,431
Professional fees	-	83,785
Advertisement, Sales development, reimbursement of expenses, etc.	21,878	119,780
Director's Sitting Fees	100,000	-
NOTE 34: EARNINGS IN FOREIGN EXCHANGE		
Income from services	37,812,277	40,000,799

Notes forming part of the consolidated financial statements

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
NOTE 35: EMPLOYEE BENEFITS		
A The disclosure as required under AS-15 regarding the Company's defined benefit plans is as follows:	Gratuity (Funded)	Gratuity (Funded)
I. Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at beginning of the year	11,133,962	13,924,932
Current Service Cost	1,471,808	3,007,888
Interest Cost	625,258	1,109,552
Past service cost - (vested benefit)	1,481,395	-
Actuarial (gain) / loss	1,271,665	(4,595,547)
Benefits paid	(3,575,607)	(2,312,863)
Defined Benefit obligation at year-end	12,408,481	11,133,962
II. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	11,090,441	9,238,070
Adjustment to opening balance	40,983	(18,127)
Expected return on plan assets	737,159	967,455
Actuarial gain/(loss)	(66,129)	(318,933)
Employer contribution	3,154,508	3,534,839
Benefits paid	(3,575,607)	(2,312,863)
Fair value of plan assets at year end	11,381,355	11,090,441
III. Reconciliation of fair value of assets and obligations		
Present value of obligation as at 31 st March, 2018	12,408,481	11,133,962
Fair value of plan assets as at 31 st March, 2018	11,381,355	11,090,441
Amount recognized in Balance Sheet	(1,421,226)	(43,521)
IV. Expense recognized during the year (Under the head "Employees benefits expense" - Refer to note 25)		
Current Service Cost	1,471,808	3,007,888
Interest Cost	625,258	1,109,552
Past service cost - (vested benefit)	1,481,395	-
Expected return on plan assets	(737,159)	(967,455)
Actuarial (gain) / loss	1,337,794	(4,276,614)
Net Cost	4,179,096	(1,126,629)
V. Actuarial assumptions		
Discount rate (per annum)	*	6.69%
* Discount rate considered for parent company is 7.42%, for subsidiaries Digisol Systems Limited and Synegra EMS Limited is 7.64% and for Telesmart SCS Limited is 7.72%.		
Expected rate of return on plan assets (per annum)	6.75%	7.50%
Rate of escalation in salary (per annum)	5.00%	5.00%
Mortality Table used	Indian Assured Lives Mortality 2006-08 ultimate table	Indian Assured Lives Mortality 2006-08 ultimate table
VI. The assumptions of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment.		

Notes forming part of the consolidated financial statements

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
VII. The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets are furnished below.		
Experience Adjustment	31-Mar-18	31-Mar-17
On plan liabilities	1,271,665	(4,595,547)
On plan assets	(66,129)	(318,933)
Present value of benefit obligation	12,408,481	11,133,962
Fair value of plan assets	11,381,355	11,090,441
Excess of (obligation over plan assets) / plan assets over obligation	(1,027,126)	(43,521)
VIII. The contribution expected to be made by the Group during the financial year 2018-19 is ₹100,000/-.		
IX. The plan assets are managed by the Gratuity trust formed by the respective Company. The management of funds is entrusted to Life Insurance Corporation of India. The details of investments made by them are not available.		
B The disclosure as required under AS-15 regarding the Group's defined contribution plans is as follows:		
i) Contribution to provident fund ₹3,998,844/- (Previous year, ₹4,461,621/-).		
ii) Contribution to National Pension Scheme (NPS) ₹170,206/- (Previous year, ₹262,009/-).		
iii) Contribution to ESIC ₹838,431/- (Previous year, ₹762,215/-).		

NOTE 36: SEGMENT INFORMATION

(A) Segment information for primary reporting (by business segment)

The group has three business segments

- (i) Investment: Earning income through dividends, interest and gains on Investment in various securities.
- (ii) Networking: Developing, manufacturing, marketing, distributing and servicing of networking products.
- (iii) EMS: Manufacture of various categories of electronic and IT products on job work basis and also engages in contract manufacturing for Original Equipment Manufacturers (collectively the activities constitute Electronic Manufacturing Services (EMS) business).

During the year, the EMS segment majorly comprised of manufacture and sale of networking products to Digisol Systems Limited (Networking Products Segment) and hence has been considered under the segment of Networking Products.

A) SEGMENT REVENUE

Amount in ₹

Particulars	Year ended	Investment	Networking	EMS	Eliminations	Consolidated Total
External Sales	31.03.2018	158,306,986	796,782,014	19,144,006	-	974,233,006
	31.03.2017	208,211,697	806,152,371	23,018,231	-	1,037,382,299
Less: Inter-Segment Sales	31.03.2018	22,257,535	102,028,289	14,272,787	138,558,611	-
	31.03.2017	8,942,466	197,154	22,473,224	31,612,844	-
Total Revenue	31.03.2018	136,049,451	694,753,725	4,871,219	138,558,611	974,233,006
	31.03.2017	217,154,163	806,349,525	45,491,455	31,612,844	1,037,382,299

B) SEGMENT RESULTS

Amount in ₹

Particulars	Year ended	Investment	Networking	EMS	Eliminations	Consolidated Total
Segment Result	31.03.2018	107,810,320	(70,450,027)	(30,022,022)	-	7,338,271
	31.03.2017	137,703,784	(162,516,017)	(21,840,315)	-	(46,652,548)
Unallocated Corporate Expenses	31.03.2018					2,802,950
	31.03.2017					(447,508)
Operating profit	31.03.2018					4,535,321
	31.03.2017					(46,205,040)

Notes forming part of the consolidated financial statements

B) SEGMENT RESULTS (Contd.)

Particulars	Year ended	Investment	Networking	EMS	Eliminations	Consolidated Total
Less: Interest expense	31.03.2018					1,901,548
	31.03.2017					1,679,364
Interest income	31.03.2018					-
	31.03.2017					-
Less: Income taxes	31.03.2018					35,716,590
	31.03.2017					49,240,801
Share in Loss attributable to Minority Interest	31.03.2018					856,371
	31.03.2017					-
Profit from ordinary activities	31.03.2018					(32,226,446)
	31.03.2017					(97,125,205)

C) OTHER INFORMATION

Amount in ₹

Particulars	Year ended	Investment	Networking	EMS	Eliminations	Consolidated Total
Segment Assets	31.03.2018	2,790,366,350	379,141,121	-	-	3,169,507,471
	31.03.2017	2,705,452,928	462,348,034	29,827,234	-	3,197,628,196
Unallocated Corporate Assets	31.03.2018	-	-	-	-	242,174,316
	31.03.2017	-	-	-	-	261,936,664
Total Assets	31.03.2018	2,790,366,350	379,141,121	-	-	3,411,681,787
	31.03.2017	-	-	-	-	3,459,564,860
Segment Liabilities	31.03.2018	1,081,007	214,684,093	-	-	215,765,100
	31.03.2017	10,022,120	167,361,761	8,225,919	-	185,609,800
Unallocated Corporate Liabilities	31.03.2018	-	-	-	-	29,022,876
	31.03.2017	-	-	-	-	26,897,133
Total Liabilities	31.03.2018	1,081,007	214,684,093	-	-	244,787,976
	31.03.2017	-	-	-	-	212,506,933

Capital Expenditure	Year ended	Investment	Networking	EMS	Eliminations	Consolidated Total
Depreciation & Amortisation	31.03.2018	12,786,032	9,671,535	2,286,927	(6,256,461)	18,488,033
	31.03.2017	14,187,872	3,246,506	2,048,217	(2,965,391)	16,517,204
Non-cash Expenditure other than Depreciation	31.03.2018	1,391,406	76,904	-	-	1,468,310
	31.03.2017	1,624,644	1,886,583	-	-	3,511,227

(B) Segment information for secondary segment reporting (by geographical segments)

The secondary reporting segment for the Group is the geographical segment based on location of customers, which is as follows:

- Domestic
- Export

Information about secondary segments

Amount in ₹

Particulars	Year ended	Domestic	Exports	Unallocated	Total
Revenues from external customers (net) (including sale of services)	31.03.2018	936,420,731	37,812,277	-	974,233,008
	31.03.2017	997,381,500	40,000,799	-	1,037,382,299
Segment assets	31.03.2018	3,162,232,021	7,275,450	242,174,316	3,411,681,787
	31.03.2017	3,185,918,323	9,173,572	264,472,962	3,459,564,857
Additions to fixed assets during the year	31.03.2018	7,848,756	-	-	7,848,756
	31.03.2017	25,774,939	-	-	25,774,939

NOTE 37: OPERATING LEASE RENTALS

Lease rental charged to the Consolidated Statement of Profit and Loss in respect of premises taken on cancellable operating lease are ₹5,402,791/- (Previous year, ₹5,101,424/-). The tenure of these leases is 11 to 60 months.

Notes forming part of the consolidated financial statements

NOTE 38: EARNINGS PER SHARE

Earnings per share is calculated by dividing the Profit / (loss) attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year, as under:

	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
(Loss) for the year attributable to Equity Shareholders (Rupees)	(32,226,447)	(97,125,205)
Weighted average number of equity shares	22,550,000	24,388,182
Par value per share (Rupees)	2.00	2.00
Basic and Diluted earnings per share net of tax (Rupees)	(1.43)	(3.98)

NOTE 39: DEFERRED TAX (NET)

The tax effect of significant timing differences that has resulted in deferred tax assets and liabilities are given below:

	As at 31 st March, 2018	As at 31 st March, 2017
a. Deferred Tax Liability		
Fiscal allowances of fixed assets	(14,243,639)	(18,016,548)
Total	(14,243,639)	(18,016,548)
b. Deferred Tax Asset		
Provision for doubtful debts and advances	232,563	248,334
Others	2,399,571	4,093,940
Total	2,632,134	4,342,274
Deferred Tax Asset (net)	(11,611,505)	(13,674,274)

Notes:

- 1) The Deferred Tax Asset of ₹60,445,393/- (Previous year, ₹51,495,106/-) of the subsidiaries has not been recognized in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised.

NOTE 40: RELATED PARTY DISCLOSURES

- a) List of related parties with whom transactions have taken place during the year and nature of relationship

Name of the related parties	Nature of relationship
Mr. Kamalaksha R. Naik	Key management person
Ms. Arati K. Naik	Relative of key management person (Key management person till 26 th October, 2016)
Mr. Kamalaksha R. Naik (HUF)	Enterprise over which key management person is able to exercise significant influence.
Mrs. Sudha K. Naik	Relative of key management person
Mrs. Lakshana A. Sharma	Relative of key management person

Notes forming part of the consolidated financial statements

b) Details of related party transactions during the year

Amount in ₹

Nature of transactions	Key Management Person	Enterprise over which key management person is able to exercise significant influence	Relative of key management person	Total
Salary				
Ms. Arati K. Naik	2,770,200 (3,279,368)	- -	- -	2,770,200 (3,279,368)
Rent Expense				
Ms. Arati K. Naik	320,000 (720,000)	- -	- -	320,000 (720,000)
Loan taken				
Mr. Kamalaksha R. Naik	30,000,000 -	- -	- -	30,000,000 -
Interest on Loan				
Mr. Kamalaksha R. Naik	734,246 -	- -	- -	734,246 -
Dividend paid				
Mr. Kamalaksha R. Naik	22,976,544 -	- -	- -	22,976,544 -
Ms. Arati K. Naik	- -	- -	4,420,640 -	4,420,640 -
Mr. Kamalaksha R. Naik (HUF)	- -	503,114 -	- -	503,114 -
Mrs. Sudha K. Naik	- -	- -	2,200,754 -	2,200,754 -
Mrs. Lakshana A. Sharma	- -	- -	2,879,736 -	2,879,736 -
Consideration paid for Buyback of Shares				
Mr. Kamalaksha R. Naik	- (459,219,310)	- -	- -	- (459,219,310)
Ms. Arati K. Naik	- (88,352,880)	- -	- -	- (88,352,880)
Mr. Kamalaksha R. Naik (HUF)	- -	- (10,055,540)	- -	- (10,055,540)
Mrs. Sudha K. Naik	- -	- -	- (43,985,260)	- (43,985,260)
Mrs. Lakshana A. Sharma	- -	- -	- (53,678,020)	- (53,678,020)
As at the year-end				
Amount due from				
Ms. Arati K. Naik (Rent Deposit)	- (600,000)	- -	- -	- (600,000)
Amount due to				
Mr. Kamalaksha R. Naik	30,660,822 -	- -	- -	30,660,822 -
Ms. Arati K. Naik	- (1,050,000)	- -	- -	- (1,050,000)

Note

1) Figures in brackets are those of the previous year.

Notes forming part of the consolidated financial statements

NOTE 41: DISCLOSURE REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

a) Particulars of Guarantees given by Parent Company

Sr. No.	Name of the entity	Opening Balance	Guarantees given	Guarantees Discharged	Outstanding balance	Purpose
1	Digisol Systems Limited	40,000,000	-	-	40,000,000	To HDFC Bank, for the working capital limit availed
2	Digisol Systems Limited	50,000,000	-	-	50,000,000	To Kotak Mahindra Bank, for working capital limit availed

b) Particulars of Investments made during the year by the Parent Company

Sr. No.	Name of the Investee	Investment made	Purpose
1	Telesmart SCS Limited	23,800,000	In Equity Shares as Strategic Investment

NOTE 42: OTHER DISCLOSURE

- a. In light of section 135 of the Companies Act 2013, the Parent Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹18,73,837/- (Previous year ₹1,194,775/-) for CSR activities carried out during the current year.

	For the year ended 31 st March, 2018 ₹	For the year ended 31 st March, 2017 ₹
Particulars		
a) Gross amount required to be spent by the company during the year	1,864,672	1,068,548
b) Amount spent during the year on the following		
1. Construction / acquisition of any asset	-	-
2. On purpose other than (1) above		
- Installation of Networking products in various schools	1,328,837	-
- Prime Minister's National Relief Fund	345,000	600,000
- Aspiring Entrepreneurs Workshop/ mentoring sessions for educational institutions	200,000	594,755
	1,873,837	1,194,755

Notes forming part of the consolidated financial statements

b. Disclosure required under Schedule III of Companies Act, 2013

Name of the Entity	Year Ended	Net Assets		Share in Profit or Loss	
		As % of consolidated net assets	Amount ₹	As % of consolidated profit or loss	Amount ₹
Smartlink Network Systems Limited (Consolidated)	31.03.2018	100.00	3,160,550,181	100.00	(32,226,447)
	31.03.2017	100.00	3,247,057,924	100.00	(97,125,205)
Parent					
Smartlink Network Systems Limited	31.03.2018	109.21	3,451,648,173	(341.39)	110,019,635
	31.03.2017	104.58	3,395,909,837	(53.26)	51,726,708
Subsidiaries					
Digisol Systems Limited	31.03.2018	(2.01)	(63,621,298)	362.92	(116,955,622)
	31.03.2017	1.64	53,334,322	109.82	(106,665,678)
Synegra EMS Limited	31.03.2018	0.46	14,484,948	98.12	(31,621,922)
	31.03.2017	1.42	46,106,870	(1.14)	1,106,870
Telesmart SCS Limited	31.03.2018	0.80	25,346,096	25.13	(8,097,810)
	31.03.2017	0.08	2,443,906	2.63	(2,556,094)
Minority Interests in subsidiaries					
Telesmart SCS Limited	31.03.2018	(0.20)	(6,343,629)	(2.66)	856,371
	31.03.2017				
Elimination and Adjustment due to Consolidation					
	31.03.2018	(8.26)	(260,964,109)	(42.12)	13,572,901
	31.03.2017	(7.72)	(250,737,011)	41.94	(40,737,011)
Total					
	31.03.2018	100	3,160,550,181	100.00	(32,226,447)
	31.03.2017	100	3,247,057,924	100.00	(97,125,205)

c. Excise duty collected from customers against sales has been disclosed as a deduction from turnover. The excise duty related to the difference between the opening and closing stock of finished goods is disclosed separately in Note 27 in the statement of profit and loss as "Excise Duty".

d. Previous year's figures have been regrouped, wherever necessary, to correspond with those of the current year.

Signature to notes 1 to 42

For and on behalf of the Board

K. R. Naik
Executive Chairman
DIN: 00002013

K. M. Gaonkar
Director
DIN: 00002425

Urjita Damle
Company Secretary

K. G. Prabhu
Chief Financial Officer

Mumbai, dated: 11th May, 2018

Notes



Smartlink Holdings Ltd.

Corporate Office:

215 Atrium Building, Courtyard Marriott Compound,
Andheri - Kurla Road, Andheri (East),
Mumbai - 400093

Registered Office:

L-7, Verna Industrial Estate, Verna,
Salcete, Goa - 403722

Website: www.smartlink.co.in

NOTICE

SMARTLINK HOLDINGS LIMITED

(formerly known as Smartlink Network Systems Limited)

CIN: L67100GA1993PLC001341

Registered Office: L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722

Tel: 0832-2885400, Fax: 0832-2783395

Website: www.smartlink.co.in, Email id: Company.Secretary@smartlink.co.in

Notice is hereby given that the Twenty Fifth Annual General Meeting (AGM) of Smartlink Holdings Limited (formerly known as Smartlink Network Systems Limited) will be held on Tuesday the 7th day of August, 2018 at 11:00 a.m. at the registered office of the Company at L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722 to transact the following business:

ORDINARY BUSINESS:

- To receive, consider, approve and adopt:
 - the Audited Standalone Financial Statements of the Company for the year ended 31st March, 2018, together with the Report of the Board of Directors and Auditors thereon;
 - the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2018, together with the Report of the Auditors thereon.
- To appoint a Director in place of Ms. Arati Naik (holding DIN 06965985), who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

- To appoint Statutory Auditors to fill casual Vacancy
To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 (8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), MSKA & Associates, Chartered Accountants (firm registration number 105047W), be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of Sharp & Tannan LLP, Chartered Accountants (registration number 127145W).

RESOLVED FURTHER THAT MSKA & Associates, Chartered Accountants (firm registration number 105047W), be and are hereby appointed as Statutory Auditors of the Company to hold the office from 11th May, 2018, until the conclusion of this Annual General Meeting (25th) of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

- To appoint Statutory Auditors of the Company
To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), and pursuant to recommendation of Audit Committee and Board, MSKA & Associates, Chartered Accountants (firm registration number 105047W) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a period of five (5) years commencing from the conclusion of this Annual General Meeting (25th) till the conclusion of thirtieth Annual General Meeting of the Company (30th) at such remuneration and out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

- To approve continuation of holding of office by Mr. K. R. Naik as Executive Chairman of the Company by way of a special resolution
To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 196(3) read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the shareholders of the Company be and is hereby granted for continuation of holding of office of Executive Chairman (Deemed to be a Managing Director under Section 196 of the Act) by Mr. K. R. Naik (DIN 00002013) who has attained the age of 70 (Seventy) years in November, 2017 upto the expiry of his present term of appointment, on the existing terms and conditions approved by the shareholders by way of a Special resolution passed at the Annual General Meeting held on 05th August, 2016.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

NOTES:

- The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 to 5 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also mentioned.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in an aggregate not more than 10% of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

THE INSTRUMENT APPOINTING THE PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Proxies submitted on behalf of the Companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.

- During the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the company, provided that not less than three days' notice in writing to inspect is given to the company.
- The Company's Registrar & Share Transfer Agents (RTA) are: Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032
Email: einward.ris@karvy.com
- Shareholders are requested to notify any change of address:
 - to their Depository Participants (DPs) in respect of the shares held in demat form, and
 - to the Company to its Legal Department at the Registered Office at Verna, Goa in respect of the shares held in physical form.
 - in case the mailing address mentioned on this Annual Report is without the PINCODE, inform your DP or the Company, as mentioned above.
- The Register of members and share Transfer Books of the Company shall remain closed from Tuesday the 24th day of July, 2018 to Tuesday the 31st day of July, 2018 (both days inclusive).
- Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. Once the amount and shares are transferred by the Company to IEPF, no claim thereof shall lie against the Company. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of Annual Report.
The Company has uploaded the information in respect of the unclaimed amounts lying with the Company as on the date of 24th Annual General Meeting of the Company held on 12th August, 2017 on the website of IEPF viz. (www.iepf.gov.in) and under "Investor Relations" on the website of the Company viz. www.smartlink.co.in.
- Shareholders are advised to avail of the facility for receipt of future dividends (if any) through National Electronic Clearing Service (NECS). The NECS facility is available at the specified locations. Shareholders holding shares in electronic form are requested to contact their respective Depository Participant for availing NECS facility. The Company or its Registrar and Transfer Agent, Karvy Computershare Private Limited ("Karvy") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Shareholders holding shares

- in physical form and desirous of either registering bank details or changing bank details already registered against their respective folios are requested to send a request letter for updating Bank Account No. with 9 digit MICR No. to our Registrar and Share Transfer Agent or to the Company with attested copy of your PAN Card and a photocopy of your cheque leaf (to capture correct bank account no, IFSC Code and 9 digit MICR Code).
9. Members can avail the nomination facility in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility. Members holding shares in physical form may send their nomination in the prescribed form duly filled in to M/s Karvy (RTA) at the above mentioned address.
 10. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
 11. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
 12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA.
 13. Electronic copy of the Annual Report for 2017-18, the Notice of the 25th Annual General Meeting of the Company, instructions for e-voting, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2017-18 is being sent in the permitted mode.
 14. Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for 2017-18 are also available on the Company's website www.smartlink.co.in for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Goa for inspection during normal business hours on working days, upto the date of AGM. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost.
 15. In Compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Company is pleased to provide its Members, the facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-voting platform provided by Karvy on all resolutions set-forth in this Notice.
 16. The Company has designated Company.Secretary@smartlink.co.in as an email id for quick Redressal of shareholders/investors grievances. Also if any shareholder requires a hard copy of the Report he can write to the Company at the above mentioned email address.
 17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act will be available for inspection by the members at the AGM.
 18. To support the 'Green Initiative' in Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards the Greener Environment and to receive all documents, Notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with RTA, if shares are held in physical mode or with the Depository Participant if the shares are held in electronic mode.
 19. The information relating to the Director seeking re-appointment at the Annual General Meeting as required to be given as per the Listing Regulations is as given below:
Ms. Arati Naik is a BE (Honours) in Computing Technology and MSc (Honours) in Business Information Systems from University of Bolton, United Kingdom. She is 34 yrs of age, has experience of over 9 years, in the networking field. Currently she is the Chief Operating Officer of Digisol Systems Limited, wholly owned subsidiary of Smartlink Holdings Limited
She does not hold any Directorship in any other Listed Public Limited Company. She holds 22,55,000 Equity Shares of the Company.
She is a Non-Executive Director of the Company w.e.f 26th October, 2017.
 20. All the Members wishing to ask questions during the 25th Annual General Meeting should forward them to the registered office, 7 days before the date of Annual General Meeting.
 21. General instructions/information for Members for voting on resolutions:
 - a. A member can opt for only one mode of voting, i.e. either by e-voting or through Ballot. In case of Member(s) who cast their votes by both modes, then voting done through e-voting shall prevail and the Ballot form of that member shall be treated as invalid.
 - b. Facility of voting through Poll paper shall also be made available at the Meeting. Members attending the Meeting, who have not already cast their vote by remote e-voting or through Ballot Form shall be able to exercise their right at the Meeting.
 - c. Member who have cast their vote by remote e-voting or through Ballot Form prior to the Meeting, may also attend the Meeting, but shall not be entitled to cast their vote again.
 - d. The voting rights of the Members shall be in proportion to their shareholding in paid up equity share capital of the Company, subject to the provision of section 108 of Companies Act, 2013 and rules made thereunder, as amended as on the cut-off date being 1st August, 2018.
 - e. Any person who acquires shares of the company and becomes member of the company after dispatch of the notice and holding shares as of cut-off date i.e. 1st August, 2018, may obtain the user ID and password for voting by sending request to evoting@karvy.com.

Explanatory Statement

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 3 to 5 of the accompanying Notice:

Item No. 3 & 4

Sharp & Tannan LLP, Chartered Accountants, were Statutory Auditors of the Company appointed by the shareholders at the AGM held on 12th August, 2017 for 5 years but due to administrative reasons they tendered their resignation as the Statutory Auditors of the Company post submission of Company's audit report on the financial statements for the financial year ended 31st March, 2018 w.e.f. the closing hours of 11th May, 2018.

In order to fill up the casual vacancy, the Board recommended appointment of MSKA & Associates, Chartered Accountants (firm registration number 105047W), to conduct the audit for the period 2018-19 to 2022-23, at its Board Meeting held on 11th May, 2018.

In pursuance to the provisions of Section 139(8) of the Companies Act, 2013, the company needs to approve the appointment of MSKA & Associates, Chartered Accountants (registration number 105047W), in the General Meeting of the Company within 3 (three) months from the date of recommendation by the Board. Hence, the company seeks the approval of the members for the item number 3 of the notice.

In regards to appointment of Statutory Auditors referred to in item no. 4 of the Notice, the brief profile of the Auditors is as under:

MSKA & Associates is a leading Chartered Accountancy firm in India having international reach. MSKA & Associates has a strong presence in India with offices located at Bengaluru, Chennai, Kolkata, Hyderabad, Mumbai, New Delhi, Gurgaon, Kochi, Pune and is now in Goa. The Firm has ability to service clients in multiple sectors including Information Technology and ITES. The Firm has 30 partner/directors and 400+ audit and assurance professionals.

Board recommends the resolutions of the Items 3 and 4 to the notice for your approval. None of the directors, key managerial personnel or their relatives are concerned or interested in the above resolution.

Item No. 5

The Shareholders of the Company at the 23rd Annual General Meeting held on 5th August, 2016 had approved re-appointment of Mr. K. R. Naik as an Executive Chairman (Deemed to be a Managing Director under Section 196 of the Act) of the Company for a period of Three years effective from 26th December, 2016 by a Special Resolution under the relevant provisions of the Companies Act, 2013 ("the Act").

Mr. K. R. Naik, Executive Chairman has attained the age of 70 years in November, 2017. In view of introduction of the Companies Act, 2013 with effect from 1st April 2014 and also as a matter of abundant precaution, the Company seeks consent of the members by way of a special resolution for continuation of holding office of Executive Chairman by Mr. K. R. Naik after the age of 70 years during the currency of his term of appointment under the provisions of Section 196 (3) (a) of the Companies Act, 2013. All other terms and conditions of the appointment shall remain the same as approved by the shareholders at the Annual General Meeting held on 5th August, 2016.

Mr. K. R. Naik has an experience of over 40 years in the Industry. His main exposure is in the networking field. With this experience he shall guide the growth of the group as a whole to a new level under the supervision of the Board of Directors of the Company.

The Board therefore recommends the special resolutions for your approval. Except Ms. Arati Naik (being relatives of the appointee) none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested in the above resolution.

By order of the Board
Urjita Damle
Company Secretary

Place: Mumbai
Dated: 11th May, 2018
Reg Add: L-7, Verna Industrial Estate,
Verna, Salcete, Goa - 403722

SMARTLINK HOLDINGS LIMITED

(formerly known as Smartlink Network Systems Limited)

CIN: L67100GA1993PLC001341

Registered Office: L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722

Tel: 0832-2885400, Fax: 0832-2783395

Website: www.smartlink.co.in, Email Id: Company.Secretary@smartlink.co.in

Serial No.:

1. Folio Number / DP ID No. and Client ID No. :
2. Name :
3. Registered Address of the Sole/first named Member :
4. Name(s) of the Joint Holder(s), if any :

Dear Shareholder(s)

Please find enclosed the Notice convening the 25th Annual General Meeting (**AGM**) of Smartlink Holdings Limited ('the Company') to be held on **Tuesday, 7th August, 2018 at 11.00 A.M.** and the Annual Report for the Financial Year 2017-18.

The Company is offering remote e-voting facility to its Members enabling them to cast their votes electronically. The Company has appointed Karvy Computershare Private Limited ('**KCPL**', '**Karvy**' or '**Service Provider**') for facilitating remote e-voting to enable the Members to cast their votes electronically pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended.

In this regard, please find below **USER ID** and **Password** for remote e-voting:-

EVEN (E-Voting Event Number)	USER ID	PASSWORD

Note:- Please turn over for detailed process and manner for e-voting.

The instructions and other information relating to remote e-voting are as under:

1.A. In case a Member receiving an email from Karvy [for Members whose email IDs are registered with the Company / Depository Participant(s)]:

- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- ii) Enter the login credentials (i.e., User ID and password mentioned above). Event No. followed by Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii) After entering these details appropriately, Click on "LOGIN".
- iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the "EVENT" i.e. SMARTLINK HOLDINGS LIMITED.
- vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii) Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folios / demat accounts.
- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).
- xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: cs.sbhat@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO." The document should reach the Scrutinizer and such other person on or before Monday, 6th August, 2018 at 5:00 PM.

B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:

- (i) User ID and initial password as provided above.
- (ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

2. In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. Wednesday, 1st August, 2018, may write to the Karvy on the email ID evoting@karvy.com or to Mrs. C Shobha Anand, Contact No. 040-67162222, at [Unit: Smartlink Holdings Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast the vote.
3. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company, subject to the provisions of the section 108 of the Companies Act, 2013 and Rules made thereunder, as amended, as on the cut-off date, being Wednesday, 1st August, 2018.
4. The remote e-voting period commences on Friday, 3rd August, 2018 at 9.00 a.m and ends on Monday, 6th August, 2018 at 5.00 p.m; During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being Wednesday, 1st August, 2018, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Further, the members who have cast their vote electronically shall not vote by way of poll ballot at AGM.
5. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com> (Karvy's website) or contact Mrs. C Shobha Anand, Contact No. 040-67162222 at [Unit: Smartlink Holdings Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.
6. The Board of Directors has appointed CS Shivaram Bhat, Practicing Company Secretary, as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
7. The Members who are entitled to vote but have not exercised their right to vote through remote e-voting or ballot may vote at the AGM through poll paper for all businesses specified in the accompanying Notice.
8. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 48 hours from the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing who shall countersign the same. The Chairperson or a person authorised by him in writing will declare the result of voting forthwith.
9. The Results on resolutions shall be declared not later than 48 hours from the conclusion of the AGM of the Company and the resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
10. The Results shall be declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.smartlink.co.in) and on the Service Provider's website (<https://evoting.karvy.com>) and will communicated to the BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.

ATTENDANCE SLIP

SMARTLINK HOLDINGS LIMITED

(formerly known as Smartlink Network Systems Limited)

Registered Office: L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722 • **CIN:** L67100GA1993PLC001341
Tel: 0832-2885400, **Fax:** 0832-2783395 • **Website:** www.smartlink.co.in, **Email id:** company.secretary@smartlink.co.in

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id* :	Folio No. :
Client Id* :	No. of Shares :

Name and Address of the Shareholder: _____

I/We hereby record my / our presence at the 25th Annual General Meeting of the Company on Tuesday 7th day of August, 2018 at the Registered Office of the Company at L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722 at 11:00 a. m.

*Applicable for investors holding shares in electronic form.

Signature of the Shareholder/Proxy

..... cut here

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

SMARTLINK HOLDINGS LIMITED

(formerly known as Smartlink Network Systems Limited)

Registered Office: L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722 • **CIN:** L67100GA1993PLC001341
Tel: 0832-2885400, **Fax:** 0832-2783395 • **Website:** www.smartlink.co.in, **Email id:** company.secretary@smartlink.co.in

Name of the member(s): _____ E-mail Id: _____
Registered address: _____ Folio No./Client Id: _____
DP/ID: _____

I/We, being the member(s) of _____ shares of Smartlink Holdings Limited, hereby appoint

- (1) Name: _____ Address: _____ E-mail id: _____ or failing him;
(2) Name: _____ Address: _____ E-mail id: _____ or failing him;
(3) Name: _____ Address: _____ E-mail id: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Tuesday the 7th day of August, 2018 at 11:00 a.m. at the Registered Office of the Company at L-7, Verna Industrial Estate, Verna, Salcete, Goa - 403722 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolutions	Optional*		
		For	Against	Abstain
ORDINARY BUSINESS				
1.	To receive, consider, approve and adopt: a. the Audited Standalone Financial Statements of the Company for the year ended 31 st March, 2018, together with the Report of the Board of Directors and Auditors thereon; b. the Audited Consolidated Financial Statements of the Company for the year ended 31 st March, 2018, together with the Report of the Auditors thereon.			
2.	To appoint a Director in place of Ms. Arati Naik (holding DIN 06965985), who retires by rotation and, being eligible, offers herself for re-appointment			
SPECIAL BUSINESS				
3.	To appoint Statutory Auditors to fill casual Vacancy			
4.	To appoint Statutory Auditors of the Company			
5.	To approve continuation of holding of office by Mr. K. R. Naik as Executive Chairman of the Company by way of a special resolution			

Signed this _____ day of _____, 2018 Signature of shareholder _____

Affix
Revenue
Stamp of
not less
then ₹ 1/-

Signature of First Proxy holder

Signature of Second Proxy holder

Signature of Third Proxy holder



.....cut here.....

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.
4. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 25th Annual General Meeting.
5. This is only Optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' 'Against' or 'Abstain' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
6. Please complete all details including details of member(s) in above box before submission.