

# NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of the Company will be held on Saturday, the 30<sup>th</sup> day of July, 2011, at the Registered Office of the Company at L-7, Verna Industrial Estate, Verna, Salcete, Goa, 403722 at 11:00 a.m. to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2011, and the Profit and Loss Account for the financial year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend for the year ended 31<sup>st</sup> March, 2011.
3. To appoint a director in place of Mr. Jangoo Dalal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Dattaraj Salgaocar, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s Deloitte, Haskins & Sells, Chartered Accountants Registration No. 117366W the retiring Auditors of the Company as Auditors, who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors.

## SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT**, in accordance with the provisions of section 198, 269, 309, 310, 311 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof, for the time being in force, approval of the members be and is hereby accorded to re-appointment of Mr. K. R. Naik as the Executive Chairman of the Company for a further period of five years with effect from December 26, 2011 on the remuneration and terms and conditions as mentioned below;

## Smartlink Network Systems Ltd.

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

- i. **Basic Salary:** Rs. 6,00,000/- per month in the range of Rs. 6,00,000/- to Rs. 10,00,000/- with such increments as may be determined by the Board of Directors from time to time.
- ii. HRA equivalent to 30% of the Basic Salary.
- iii. Perquisites will be allowed in addition to the salary as set out hereunder:
  - a) Provision for use of Car for official purposes
  - b) Telephone at residence including mobile phone to be used for official purposes.
  - c) Gratuity and Provident Fund: As applicable to the employees of the Company.
  - d) Any other benefits, facilities, allowances and expenses as may be allowed under the Company Rules/ schemes and available to other employees.
  - e) Actual fees of clubs will be reimbursed subject to a maximum limit of Rs. 1,00,000/- per annum.
- iv. Total remuneration as above shall be subject to the Part II Section I of Schedule XIII to the Companies Act 1956 and shall not exceed 5% of the Net Profits of the Company.
- v. In case of no profits or inadequacy of profits in any financial year, the Company may pay remuneration to the Executive Chairman by way of Salary, perquisites and any other allowances as set out hereinabove subject to the approval of the Government of India.
- vi. For the purpose of calculating the above ceiling, perquisites, if any, shall be computed as per actual expenditure and in case actual expenditure cannot be ascertained, perquisites shall be computed as per Income Tax Rules.
- vii. The terms and conditions of appointment and remuneration given herein may be altered and varied from time to time by the Board of Directors of the Company as it may in its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Companies Act 1956 (including and statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto from time to time.

- viii. For the purposes of provisions of the Companies Act, 1956 Mr. K.R. Naik shall be deemed to be Managing Director under Section 269 of the Companies Act, 1956.
- ix. Either party may terminate the appointment by giving the other three months notice in writing.
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:  
**“RESOLVED THAT** the approval be and is hereby accorded for the payment of remuneration to the Non – Executive Directors of the Company by way of commission in accordance with the provisions of Section 198, 309 and all other applicable provisions of the Companies Act, 1956, not exceeding 1% of the Net Profit as computed under the provision of Section 349 of the Companies Act, 1956 for a further period of 5 years commencing from the financial year beginning 01<sup>st</sup> April, 2011.”  
**“RESOLVED FURTHER THAT** the Board of Directors shall determine the quantum of commission payable to each Non-Executive Director.”

By order of the Board

Place: Mumbai

**K.G. Prabhu**

Date: 23<sup>rd</sup> May, 2011

Company Secretary

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Companies Registrar & Share Transfer Agents are M/s Karvy Computershare Private Limited and their address is as below:  
M/s Karvy Computershare Private Limited  
Unit: Smartlink Network Systems Ltd.,  
Plot No.17 to 24 Vittalrao Nagar  
Madhapur, Hyderabad - 500 081  
Phone No. 040-44655000  
Fax No. 040-23420814
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from 13<sup>th</sup> July, 2011 to 20<sup>th</sup> July, 2011 (both days inclusive).
5. The dividend recommended by the Board, if approved by the shareholders at the Annual General Meeting, will be paid on or after 1<sup>st</sup> August, 2011 to those persons
  - (a) whose names appear as Beneficial Owners as at the end of the business hours on 12<sup>th</sup> July, 2011 as per the list of beneficial owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in electronic form.
  - (b) whose names appear as Members in the Register of Members of the company after giving effect to valid share transfers, if any, in physical form lodged with the company /Registrar and Share Transfer Agents on or before 13<sup>th</sup> July, 2011.
6. Pursuant to the provisions of section 205A (5) of the Companies Act, 1956, dividend declared for the financial year ended 31<sup>st</sup> March, 1996 and thereafter which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to section 205C of the Companies Act, 1956. An amount of Rs.172,813/-, Rs. 165,492/- and Rs. 93,149/- being unclaimed dividend for the financial year ended 31<sup>st</sup> March, 2003, 1<sup>st</sup> Interim Dividend and 2<sup>nd</sup> Interim Dividend for the year 2003-04 was transferred on 16/08/2010, 10/11/2010 & 05/03/2011 respectively and no claim lies against the Company in respect thereof.

7. Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
31.03.2004 (Final Dividend)	28.09.2004	27.09.2011	26.10.2011
31.03.2005 (1 <sup>st</sup> Interim Dividend)	31.10.2004	30.10.2011	29.11.2011
31.03.2005 (Final Dividend)	06.08.2005	05.08.2012	04.09.2012
31.03.2006	01.09.2006	31.08.2013	30.09.2013
31.03.2007	20.08.2007	19.08.2014	18.09.2014
31.03.2008	29.08.2008	28.08.2015	27.09.2015
31.03.2009	23.09.2009	22.09.2016	21.10.2016
31.03.2010	24.07.2010	23.07.2017	22.08.2017

**Members who have not encashed the dividend warrants so far in respect of the aforesaid periods are requested to send their claims, if any, to the Company/share transfer agent well in advance of the above due dates. Once the amount is transferred to the IEPF, no claim shall lie against IEPF or the Company in respect thereof.**

8. Members holding shares in electronic form are informed that bank account particulars furnished by Depositories will be used for payment of dividend to investors through Electronic Clearing Services (ECS) wherever ECS and bank details are available. In the absence of ECS facilities, the particulars of bank details if any available will be printed on the payment instrument for distribution of dividend. **The company or its registrars cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Members who wish to make changes in the bank account details are therefore requested to advise their depository participants where they have their demat account about such changes.**

9. Members can avail of the nomination facility in respect of shares held by them pursuant to the provisions of Section 109A of the Companies Act, 1956. Members holding shares in physical form may send their nomination in the prescribed form No. 2B duly filled in to M/s Karvy Computershare Private Limited at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.

10. As required by Clause 49 (VIA) of the Listing Agreement with the Stock Exchanges, the information relating to the Directors seeking Appointment/ Re-appointment at the Annual General Meeting is given below :

a. Mr. Jangoo Dalal,

Mr. Jangoo Dalal 45 years of age, holds a Bachelor Degree in Science and Master of Management Studies (MBA) with specialization in Marketing from Bombay University. He brings with him 24 years of industry experience from organizations like Wipro Infotech, Wipro British Telecom, Cisco Systems and erstwhile D-Link (India) Limited.

He has varied and diverse experience in the IT and Communications Industry Encompassing Sales Management, Marketing and Product Management, Channel Management (India and Asia Pacific), Strategic Planning and Profit Center and Country Operations Management. He is presently working with Avaya India Pvt Ltd. as Managing Director.

He was appointed as Director on 31<sup>st</sup> May, 2009.

Mr. Jangoo Dalal does not hold any Directorship in any other Public Limited Company.

He holds 60,000 Equity Shares of the Company.

b. Mr. Dattaraj Salgaocar

Mr. Dattaraj Salgaocar, 54 years of age, is an eminent industrialist with wide business experience. He holds a Bachelor's Degree in Production Engineering, from V.J.T.I., University of Bombay and Masters Degree in Finance from Wharton Business School, University of Pennsylvania, U.S.

He was appointed as Director on May 17, 2001

He holds 30,000 Equity Shares of the Company.

11. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of items 6 & 7 of the Notice as set above, is annexed hereto.
12. Shareholders are requested to notify any change of address:
  - i. To their Depository Participants (DPs) in respect of the shares held in demat form, and
  - ii. To the Company at the Registered Office at Verna, Goa in respect of the shares held in physical form.
13. In case the mailing address mentioned on this Annual Report is without the PINCODE immediately inform your DP or the Company, as mentioned above.
14. Shareholders holding shares in physical form are requested to download the ECS form from the website of the Company and the duly filled up and signed form along with a Xerox copy of a cancelled cheque maybe sent to M/S Karvy Computershare Pvt. Ltd.

**Registered Office:**

L-7, Verna Industrial Estate,  
Verna, Salcete, Goa - 403722  
23<sup>rd</sup> May, 2011

**By order of the Board**

**K. G. Prabhu**  
Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 6:**

Mr. K. R. Naik was re-appointed as Chairman & Managing Director of the Company w.e.f. December 26, 2006 for a duration of 5 years (the Designation was further changed to Executive Chairman w.e.f. 25<sup>th</sup> June, 2007) & he retires on 25<sup>th</sup> December, 2011. It is now proposed to re-appoint Mr. K. R. Naik as the Executive Chairman of the Company for a further period of 5 years upto December 25, 2016.

The Resolution and other terms and conditions of appointment require approval of the Company in General Meeting pursuant to Sections, 198, 269, 309 and 311 read with Schedule XIII of the Companies Act, 1956 and the resolution set out in Item no. 6 is intended for that purpose.

This may be treated as an Abstract and Memorandum of Concern or Interest under Section 302 of the Companies Act, 1956.

For the purposes of provisions of the Companies Act, 1956 Mr. K.R. Naik shall be deemed to be a Managing Director under Section 269 of the Companies Act, 1956.

Mr. K. R. Naik may be deemed to be concerned or interested in the resolution to the extent of his appointment as Executive Chairman.

None of the other Directors of the Company are in any way concerned or interested in this resolution.

**ITEM NO. 7:**

The shareholders at the Annual General Meeting held on 01<sup>st</sup> September, 2006 had approved the payment of commission at the rate of 0.5% of the Net Profit of the Company for a period of 5 years commencing from the financial year beginning 1<sup>st</sup> April 2006 which was further increased to 1% w.e.f. 01<sup>st</sup> April, 2010 for the remaining term of 5 years.

Considering the contribution of the Non-Executive Directors since their appointment, Board of Directors proposes to adequately remunerate Non – Executive Directors of the Company who are also heading various committees of the Board. It is therefore proposed to authorize the Board of Directors or a committee thereof to determine and pay remuneration by means of commission to the Non-Executive Directors of the Company not exceeding 1% of the Net profit of the Company as computed under the provision of Section 349 of the Companies Act, 1956 in aggregate for all the Non-Executive Directors for a further period of Five years.

The Board shall fix the criteria for the payment of such commission to each individual Director within the overall limits.

The Board recommends the Resolution for approval of members.

Non-Executive Directors may be deemed to be interested or concerned in the proposed resolution.

**By order of the Board**

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2011

**K.G. Prabhu**  
Company Secretary