

**GENERAL INFORMATION ABOUT SMARTLINK NETWORK SYSTEMS LIMITED  
PURSUANT TO THE VOLUNTARY GUIDELINES ISSUED BY MINISTRY OF  
CORPORATE AFFAIRS**

**I. GENERAL INFORMATION ABOUT THE COMPANY:**

Smartlink Network Systems Ltd. was established in the year 1993 to prop the Indian market in the field of Networking Infrastructure. Known for its honesty, ethics and integrity, today Smartlink is one of the most experienced and respected IT companies in India. Smartlink is a pioneer in bringing IT Networking Products and Technology to India and has the distinction of being one of the first companies to start manufacturing of IT Networking Products in India. Smartlink has over two decades of experience in Product Design, Development, Manufacturing, Marketing, Sales & Service with its own brand and brand building in the IT Industry and has a strong Pan-India Network of channel partners. The company addresses the needs of customers ranging from Enterprise to SME/SMB and SOHO to home users and from across the verticals i.e. Government, BFSI, Education, Manufacturing, Hospitality, Healthcare, Retail, to name a few.

**BUSINESS OVERVIEW:**

**DIGISOL**

The DIGISOL range of active networking products consolidated its position as an end to end solutions player offering a comprehensive product portfolio spanning ethernet switches, wireless and broadband networking and IP and surveillance, etc. The company launched a number of products under the brand DIGISOL during FY 2013 keeping in view the ubiquitous requirements of devices being multi-functional, compact and easy to install while ensuring robust wireless security. The increasing use of mobile internet devices has necessitated networking products to provide wireless connectivity, enhance weak signals as well as enrich multimedia streaming user experience.

Amongst the products launched were a multi-function wireless broadband all-in-one Router which offers uninterrupted wireless coverage for home and office networking.

Another product for the same segment included a wireless Green 3G Broadband Router that enables communication between wireless and wired notebooks/desktop computers in a network and offers Internet connectivity to all the LAN users.

An important launch was an affordable cloud based Network Management/Monitoring of switches specially designed for SME and SMB customers. This was the first time that a company had introduced cloud based switching infrastructure management solutions for this market segment in India.

Given the current trend of people increasingly requiring uninterrupted wireless on the move, DIGISOL launched India's fastest wireless range booster for this segment. This unique device offers 3-in-1 functionality of Access point, Wireless Repeater and Wireless client.

## **DIGILITE**

FY 2013 witnessed the completion of the first year of Smartlink's motherboard brand DIGILITE's presence in the Indian Market which extended to a shipment of 3,50,000 motherboards.. On one hand, this achievement is a reflection of the confidence shown in the brand by channel partners and OEM customers; while on the other hand, it is an outcome of working closely with partners and customers.

In FY 2013, DIGILITE launched motherboards for various segments from the affordable home computing market to the more demanding and technologically-advanced world leaders in chips. For instance, the company designed a product with integrated AMD chip to provide 3D gaming experience.

Another product launched was with Intel for supporting 3rd and 2nd Generation Intel® Core™ i7 / i5 / i3 processors.

For the home computer market, Digilite introduced motherboards with inbuilt 1.8GHz Dual core Processor to provide a compelling yet energy-efficient computing experience to power the next generation of optimized desktop PCs.

Another value-added winning proposition from Digilite has been the extension of burnt warranty on new models of Motherboards. The company had announced the unique 'burnt warranty' on their models during launch in Jul 2011 wherein the company repairs/replace the motherboard that's burnt due to power fluctuation. This is both a reflection of the confidence that the company has in its product quality level as well as alleviating customer concern regarding the problem of voltage fluctuation in India.

## **DIGICARE**

DIGICARE is a leading brand in providing high level repair / RMA services and Contact Center solutions to various OEMs. Through it's brand neutral service policies and strict adherence to Customer SLAs, DIGICARE has emerged as a preferred vendor to most of the OEMs. DIGICARE has evolved efficient, skilled and professional service infrastructure to cater to the latest technologies and increasing needs of Customers. It has 22 direct service centers and 42 Partner managed service centers across the country. All DIGICARE Centers are located in the main IT market of the town. DIGICARE Technical Assistance Center (DTAC) supports international and domestic customer support on voice, email and chat with a wide range of technologies and products. DTAC handles customer support, technical support, pre-sales and various other service requirements of its Customers and offers them the best Customer Experience.

DIGICARE has consistently been recognized for its quality work which is evident from the various awards being bestowed on it. In the last year, DIGICARE was awarded as the Best Service Provider in India by Cell IT, NCN and VAR India.

DIGICARE added ASUS to its customer list and has successfully rolled out the repair services for ASUS in a short span of time. In addition to this, with the accomplishment TAPA certification, only the fourth in the Country to be certified, DIGICARE added few more services in the basket of service being offered to INTEL. At present, DIGICARE is providing service support to Intel, Asus, MSI, Zotac, Asrock and Jetway.

With the exponential growth in the Telecom industry and the convergence of Mobility and IT products, DIGICARE is expanding its capability to support Notebooks, Tablets and Smartphones. In addition to this, DIGICARE is also expanding the DTAC operations to cater to the increasing needs of its Customers.

## **AWARDS AND RECOGNITIONS:**

### **AWARD TO SMARTLINK**

- ‘Top 10 SME Solution Vendor’ - SME Channel Achievers Award – 2012
- ‘Fastest Growing Indian IT Company’ - 11<sup>th</sup> Star Nite Awards - 2012

### **AWARDS TO DIGISOL**

- ‘No.1 Home Networking’ - CRN Channel Champion Awards - 2012
- ‘Fastest Growing Networking Brand’ – Infofriend Awards - 2012
- ‘Best Green Adaptation of the year’ - Infofriend Awards – 2012
- Most Channel Friendly Networking Brand – NCN Awards – 2012

### **AWARDS TO DIGILITE**

- ‘Best Upcoming Brand in Motherboard’ - Infofriend Awards - 2012
- ‘Rising Star in Motherboards’ - NCN Awards – 2012

### **AWARD TO DIGICARE**

- ‘Best Post Sales Care Services’ – 11<sup>th</sup> Star Nite Awards – 2012
- ‘Most Trustable Service Provider’ - NCN Awards – 2012
- Best Service Support Western India – VAR India WIITF Awards - 2012

## **RISKS AND CONCERNS:**

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.

While the outlook for IT services remains relatively unchanged, continued hesitation among buyers may foster hyper competition and cost pressure in mature IT outsourcing (ITO) segments and reallocation 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 operates. Moreover, the technological advancements are dictated by the large OEM players. On the other hand, the company needs to continuously invest to keep launching new products to enhance reach and reputation amongst customers and channel partners.

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. This may require the vendors to sell software-based product offerings and value-added services in addition to network equipment as a way to drive margin expansion.

## Link to Annual Reports for last 3 years:

**A. 2012-13** - [http://smartlink.co.in/pdf/Investor/Smartlink%20Network%20Systems%20Limited%20Annual%20Report%202012-13%20\(3\).pdf](http://smartlink.co.in/pdf/Investor/Smartlink%20Network%20Systems%20Limited%20Annual%20Report%202012-13%20(3).pdf)

**B. 2011-12** - [http://smartlink.co.in/pdf/Investor/annual\\_report/SmartLink%20Annual%20Report%202012\\_full.pdf](http://smartlink.co.in/pdf/Investor/annual_report/SmartLink%20Annual%20Report%202012_full.pdf)

**C. 2010-11** [http://smartlink.co.in/pdf/Investor/annual\\_report/Smartlink%20Annual%20Report%20FY%202010-11.pdf](http://smartlink.co.in/pdf/Investor/annual_report/Smartlink%20Annual%20Report%20FY%202010-11.pdf)

## II. DETAILS OF THE BOARD OF DIRECTORS:

### a) Name and Address of Directors

Sr. No.	Name of the Directors	Designation	Address
1	Mr. K.R. Naik	Executive Chairman	Sumati Villa, Sagarika CHS, Juhu Tara Road, Vile Parle (W), Mumbai - 400049
2	Mr. Jango Dalal	Director	301, 3rd Floor, Bldg no. 623, Opp. Five Garden, Lady Jehngir Road, Dadar (East) Mumbai - 400 014
3	Mr. K.M. Gaonkar	Director	504, Natasha Gardens N. Dutta Marg, 4, Bungalows Andheri (W), Mumbai-400 053.
4	Mr. Dattaraj Salgaocar	Director	Hira Vihar, Chicalim, Marmugao, Goa
5	Mr. Pradeep Rane	Director	701, Kamala Park View, Opp. Sardar Patel Garden, Lalubhai Park Road, Andheri (W), Mumbai- 400058
6	Mr. Pankaj Baliga	Director	91, Kuber Towers, Off; Nariman Rd., Prabhadevi, Mumbai - 400025

### b) Details of promoters of the Company and their shareholding as on 31<sup>st</sup> March, 2013

Sr. No.	Name	No. of Shares	% to Total Capital
1	Kamalaksha Rama Naik	1,56,62,993	52.20
2	Arati Kamalaksha Naik	30,13,528	10.04
3	Lakshana Amit Sharma	18,30,841	6.10

4	Sudha Kamalaksha Naik	15,00,243	5.00
5	Kamalaksha Rama Naik	3,42,971	1.14

**c) Code of Conduct for Board Members & Senior Management:**

**i) Code of Conduct for Members of the Board -**

<http://smartlink.co.in/pdf/Investor/Smartlink%20Board%20of%20Directors%20-%20Code%20of%20Conduct.pdf>

**ii) Code of Conduct for Senior Management -**

<http://smartlink.co.in/pdf/Investor/Smartlink%20Senior%20Management%20-%20Code%20of%20Conduct.pdf>

**d) Remuneration of Executive Chairman for the year ended 31<sup>st</sup> March, 2013:**

Name	Designation	Salary, contribution to P.F, perquisites & Commission
Mr. K. R. Naik	Executive Chairman	Nil

**e) No. & dates of Board meeting (“BM”) & Annual General Meeting (“AGM”) held in last three years and attendance of each Director at the meetings:**

**In FY 2012-13 - 4 Board Meetings were held on:**

January 30, 2013	July 27, 2012
October 25, 2012	May 8, 2012

**In FY 2011- 12 6 Board Meetings were held on:**

March 30, 2012	October 22, 2011	May 23, 2011
January 23, 2012	July 29, 2011	May 12, 2011

**In FY 2010-11 5 Board Meetings were held on:**

March 31, 2011	October 22, 2010	May 12, 2010
January 31, 2011	July 23, 2010	

**Attendance - at the Board Meeting (“BM”) and Annual General Meeting (“AGM”)**

Name of Directors	BM	19 <sup>th</sup> AGM	BM	18 <sup>th</sup> AGM	BM	17 <sup>th</sup> AGM
	FY 2013		FY 2012		FY 2011	
Mr. K. R. Naik	4	Present	6	Present	5	Present
Mr. Jangoo Dalal	4	Absent	4	Absent	3	Absent
Mr. K. M. Gaonkar	4	Present	6	Present	4	Present
Mr. Pankaj Baliga	4	Present	6	Present	5	Present
Mr. Pradeep Rane	4	Present	6	Present	4	Absent

Mr. Dattaraj Salgaocar	0	Absent	1	Absent	1	Absent
Prof. R.T. Krishna*	2	Absent	6	Present	2	Present
* Meetings held till the date Prof. R. T. Krishnan Ceased to be a Director of the Company.						

### III. AUDIT COMMITTEE:

#### A) Qualified and Independent Audit Committee

The Company complies with the provisions of Section 292A of the Companies Act, 1956 as well as requirements under the listing agreement pertaining to the Audit Committee.

Audit Committee presently consists of the three Non-Executive Directors, out of which two are Independent Directors. The Chairman of the Audit Committee is an Independent Director.

#### B) Terms of reference

The terms of reference stipulated by the Board to the Audit Committee and as contained under Clause 49 of the Listing Agreement, are as follows:

#### D) Powers of Audit Committee

- a. To investigate any activity within its terms of reference.
- b. To seek information from any employee
- c. To obtain outside legal or other professional advice
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### II) Role of Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - b) Changes, if any, in accounting policies and practices and the reasons for the same.
  - c) Major accounting entries involving estimates based on exercise of judgement 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) Qualifications in draft Audit Report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the board for approval.
  6. Reviewing, with the Management, performance of the Statutory and Internal Auditors, and the adequacy of internal control systems.
  7. 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 and frequency of the internal audit.
  8. Discussion with Internal Auditors any significant findings and follow up thereon.
  9. 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.
  10. Discussion with Statutory Auditors before the audit commences, on the nature and scope of audit as well as, have post-audit discussion to ascertain any area of concern.
  11. 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.
  12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**C) No. & dates of Audit Committee meetings held in last three years and attendance of Directors**

**In FY 2012-13 Audit Committee Meetings were held on:**

January 30, 2013	July 27, 2012
October 25, 2012	May 8, 2012

**In FY 2011- 12 Audit Committee Meetings were held on:**

January 23, 2012	July 29, 2011
October 22, 2011	May 23, 2011

**In FY 2010-11 Audit Committee Meetings were held on:**

January 31, 2011	July 23, 2010
October 22, 2010	May 12, 2010

Name of Director	Audit Committee attendance		
	FY 2013	FY 2012	FY 2011

Mr. Pankaj Baliga	4	4	4
Prof. R. T. Krishnan*	2	4	4
Mr. K. M. Gaonkar	4	4	4
Mr. Pradeep Rane	4	4	1
*Prof. R. T. Krishnan ceased to be a Director of the Company w.e.f. 28 <sup>th</sup> July, 2012			

#### IV. FINANCIAL INFORMATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

Particulars	Financial Information
Paid-up capital	60,009,700
Equity shares	30,004,850 shares
Nominal value of shares	Rs. 2/- each
Total Turnover	Rs. 1,214,476,470/-
(Loss) before exceptional items and tax	Rs. (20,471,485)/-
Exceptional items	Nil
Profit after Tax	Rs. (20,180,648)
Earning Per Share	Rs. (0.67)
Dividend for the year 2011-12	Rs. 2/- Per Equity Share
Dividend for the year 2012-13	Rs. 2/- Per Equity Share

#### V. SUBSIDIARY COMPANY

The Company has a Wholly Owned Subsidiary M/s Smartlink Middle East (FZE) (the Establishment) which was registered on 07<sup>th</sup> April, 2010 as a free zone establishment with limited liability as per a commercial license issued by Sharjah Airport International Free Zone, Sharjah, United Arab Emirates. The principal activity of the Establishment is trading in networking products.

**Financial details of the Subsidiary Company is given below:**

Particulars	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
	Rs.	Rs.
a) Capital	26,554,891	20,741,169
b) Reserves	(6,446,449)	(6,470,104)
c) Total assets	20,274,368	14,392,553
d) Total liabilities	169,656	124,944
e) Details of investment	Nil	Nil
f) Turnover	9,522,819	25,545,343
g) Profit/(Loss) before taxation	457,287	(2,071,884)
h) Provision for taxation	Nil	Nil
i) (Loss) after taxation	457,287	(6,350,350)



j) Proposed dividend	Nil	Nil
Exchange rate considered as on the closing date is Rs. 54.29 per USD (previous year Rs. 50.88 per USD)		

## VI. SHARES ISSUED DURING LAST FIVE YEARS AND OTHER INFORMATION:

NIL

### a) Stock Exchanges where Company's Securities are listed:

- Bombay Stock Exchange Limited
- National Stock Exchange of India Limited

### b) Share Price:

Month	Smartlink on BSE		BSE Index		Smartlink on NSE		NSE Index	
	High	Low	High	Low	High	Low	High	Low
	Rs.	Rs.			Rs.	Rs.		
Apr-12	52.90	45.60	17,664.10	17,010.16	52.70	46.00	5378.75	5154.30
May-12	62.40	42.90	17,432.33	15,809.71	53.70	42.50	5279.60	4788.95
Jun-12	51.95	42.00	17,488.48	15,748.98	51.60	41.00	5286.25	4770.35
Jul-12	54.50	45.10	17,631.19	16,598.48	54.65	38.10	5348.55	5032.40
Aug-12	57.00	45.30	17,972.54	17,026.97	52.70	42.00	5448.60	5164.65
Sep-12	53.00	48.00	18,869.94	17,250.80	52.80	47.60	5735.15	5215.70
Oct-12	55.35	48.55	19,137.29	18,393.42	55.75	50.00	5815.35	4888.20
Nov-12	54.00	48.50	19,372.70	18,255.69	53.75	49.00	5885.25	5548.35
Dec-12	58.10	50.00	19,612.18	19,149.03	58.30	48.05	5965.15	5823.15
Jan-13	63.80	53.05	20,203.66	19,508.93	63.75	51.50	6111.80	5935.20
Feb-13	57.70	54.15	19,966.69	18,793.97	57.50	53.35	6052.95	5671.90
Mar-13	62.00	52.50	19,754.66	18,568.43	61.05	53.15	5971.20	5604.85

c) **Dates of book closure:** July 3, 2013 to July 10, 2013 (both days inclusive)

d) **Date of Dividend Payment for the year ended 31<sup>st</sup> March, 2013:** 29<sup>th</sup> July, 2013.

e) **Shareholding pattern as on 31<sup>st</sup> March, 2013:**

Sr. No.	Category Of Shareholders	Total Holdings	Holdings in %
1	Shareholding of Promoter and Promoter Group	2,23,50,576	74.49
2	Financial Institutions / Banks	30	0.00
3	Bodies Corporate	9,80,936	3.27
4	Individuals	61,26,923	20.42
5	Clearing Members	6,258	0.02
6	Trusts	3,41,375	1.14
7	NRI's	1,98,752	0.66

	<b>Total</b>	<b>30,004,850</b>	<b>100.00</b>
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**f) Registrar & Share Transfer Agents:**

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  
Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

**g) Name, designation & contact number of Compliance Officer:**

Mr. K. G. Prabhu - Company Secretary  
L-7, Verna Industrial Estate, Verna, Salcete, Goa-403722  
Contact No: 0832 – 2885400/401  
Email ID: [Company.Secretary@smartlink.co.in](mailto:Company.Secretary@smartlink.co.in)

**VII. COMPOSITION OF SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:**

**a) Terms of Reference**

The Investor's Grievance Committee has been constituted to deal with the redressal of investors' complaints relating to transfer of shares, non-receipt of Annual Report, etc.,

**b) Composition**

1. Mr. Pankaj Baliga - Chairman
2. Mr. K. M. Gaonkar
3. Mr. K. R. Naik

**c) Investors' complaints received, resolved and pending during last three years:**

<b>Year</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>
Received during the year	106	140	31
Resolved during the year	106	140	31
Closing Balance	0	0	0

**d) Press release to shareholders during the last 2 financial years**

1. **Appointment of Mr. Bimal Raj –**  
<http://smartlink.co.in/pdf/Investor/Press%20release%20for%20Appointment%20of%20Mr.%20Bimal%20Raj%20as%20CEO%20of%20Smartlink.pdf>
2. **Sale of Digilink Business to Schneider Electric India Private Limited -**

<http://smartlink.co.in/pdf/Investor/Press%20Release%20for%20Sale%20of%20Dilink%20Business.pdf>

e) **Complaints about insider trading transactions in the last three years:**

NONE

**VIII. PARTICULARS OF SHARES OF THE COMPANY ACQUIRED / SOLD BY THE DIRECTORS AND THEIR RELATIVES DURING LAST THREE YEARS:**

Sr. No	Name of the Director / Relative	No. of Shares purchased		
		FY 2012-13	FY 2011-12	FY 2010-11
1	Kamalaksha Rama Naik	17,120	1,187,698	1,148,484
2	Arati Kamalaksha Naik	3,263	302,282	29,126
3	Lakshana Amit Sharma	30,550	0	94,712
4	Sudha Kamalaksha Naik	0	0	15,673
5	Kamalaksha Rama Naik(HUF)	0	0	0
6	K. M. Gaonkar	0	0	4,262

Sr. No	Name of the Director / Relative	No. of Shares Sold		
		FY 2012-13	FY 2011-12	FY 2010-11
1	K. M. Gaonkar	10,000	26,800	0

**IX. SHAREHOLDERS COMPLAINT MECHANISM:**

The Shareholders can lodge their complaints, if any, at [Company.Secretary@smartlink.co.in](mailto:Company.Secretary@smartlink.co.in). The shareholders can also send their grievances to Company's Registrars & Share Transfer Agents as per details given below:

<p><b>The Company Secretary,</b>  <b>SMARTLINK NETWORK SYSTEMS LIMITED</b>            L-7, Verna Industrial Estate, Verna, Salcete,            Goa - 403722            Phone Nos: 0832-2885450/451            Fax No : 0832-2783395            Email: <a href="mailto:Company.Secretary@smartlink.co.in">Company.Secretary@smartlink.co.in</a></p>	<p><b>Karvy Computershare Private Limited</b>  <b>Unit: Smartlink Network Systems Limited</b>            Registrars &amp; Share Transfer Agents,            Plot No.17 to 24 Vittalrao Nagar            Madhapur, Hyderabad - 500 081            Phone No. 040-44655000            Fax No. 040-23420814            Email: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a></p>
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## **X. DETAILS OF TRANSACTIONS WITH RELATED PARTIES:**

The details of related parties transactions are put up before the Audit Committee/Board of Directors on regular basis. Details of related party transactions for the last two Financial Years is given below:

**Details of related party transactions for last two Financial Years is given below:**  
(Rs)

<b>Nature of transactions</b>	<b>2012-13</b>	<b>2011-12</b>
Managerial remuneration Mr. Kamalaksha R. Naik	-	2,100,000
Salary Ms. Aarti K. Naik	456,106	425,375
Dividend Paid Mr. Kamalaksha R. Naik	31,291,746	462,661,600
Mr. Kamalaksha R. Naik (HUF)	685,942	10,975,072
Mrs. Sudha K. Naik	3,000,486	48,007,776
Mrs. Lakshana A. Sharma	3,600,582	57,609,312
Ms. Aarti K. Naik	4,860,398	67,210,880
As at the year-end Amount due from Mr. Kamalaksha R. Naik	-	3,761,250

## **XI. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

### **a. Conservation of Energy:**

Your Company's manufacturing facilities are certified with the ISO 14001 for Environmental Management System since 2001 and ISO 9001 for the Quality Management System since 1998 from UL DQS Inc. a leading international certification company.

The Company continued with its effort in energy conservation during the year.

### **b. Research & Development & Technology Absorption:**

The Company has set high vision towards upgradation and absorption of new and the latest technologies in its wide Product Range.

Similarly your company is planning to upgrade the Test and Measurement facilities at the factory with some high end performance measuring equipments in various areas of wireless products.

### **c. Foreign Exchange Earnings and Outgo:**

Total Foreign exchange earnings and outgo is stated in Note 38 (e) forming part of the Accounts.

**The foreign exchange earnings and outgo is given below:**

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>Expenditure in foreign currency</b>	<b>Rs.</b>	<b>Rs.</b>
Travelling expenses	2,519,661	3,460,168
Professional fees	2,097,427	4,266,364
Advertisement, Sales development, reimbursement of expenses, etc.	2,147,373	1,556,580
<b>Earnings in foreign exchange</b>		
F.O.B. value of goods exported	604,808	666,370
Income from services	130,998,734	113,306,724

## **XII. DETAILS OF IMPORTANT PENDING LITIGATIONS:**

**Contingent Liabilities for the last two financial years is given below:**

Sr. No.	Contingent liabilities	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
		<b>Rs</b>	<b>Rs</b>
a.	Show cause notices received from customs authorities relating to imports made in earlier years.	709,043	709,043
b.	Disputed demands of custom duty pending before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	242,023,983	-
c.	Disputed demands of custom duty pending before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) (Amount deposited as pre-deposit Rs. 900,000/-)	2,414,221	2,414,221
d.	Disputed penalty demands of Custom Authorities with respect to (b) above, pending before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2,412,221	2,412,221
e.	Disputed demand of excise duty in connection with valuation of products manufactured by the Company pending before CESTAT(Amount deposited as pre-deposit Rs. 11,400,000/-)	38,715,672	38,715,672
f.	Disputed penalty demands of Excise Authorities with regard to (e) above, pending before the CESTAT	39,517,713	39,517,713
g.	Custom duty paid under protest		
	The raw material/trading material/software imported by the Company are subjected to different rates of customs duty based on classification under respective Tariff Head. The Customs department has objected to the classifications adopted by the Company for certain items and has demanded additional duty for the same.	4,487,728	4,487,728

	The Company has paid such differential duty under protest, which is included under Long term loans and advances in Note 12, pending resolution of the dispute.		
<b>h.</b>	Disputed demand of Income-tax for Assessment Year 2008-09 pending before Commissioner of Income-tax (Appeals), Panaji (Amount deposited as pre-deposit Rs. 16,090,670/-)	-	40,297,980
<b>i.</b>	SEBI had filed a criminal case, in the Metropolitan Magistrate court, in June, 2006 under Section 77A (4) r/w Section 621 for alleged contravention of provisions of the Companies Act, 1956 for failing to complete the process of buy back of shares as provided under the said section. The Company had filed an application in the Hon'ble High Court of Bombay and the Hon'ble High Court has passed Orders staying the proceedings in the Metropolitan Magistrate court. The stay is continuing. The Company does not expect any liability on this account at this stage.		
	Capital Commitments Estimated amount of contracts remaining to be executed on capital account and not provided for	-	14,246,950