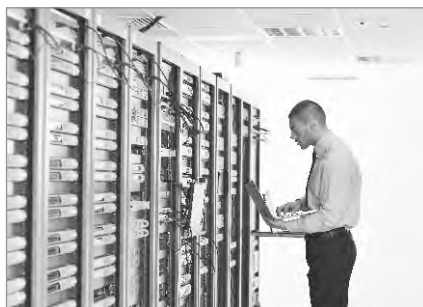


Smartlink Network Systems Limited
Annual Report 2014-15



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Vision



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

Mission



- To facilitate our customers growth in their business through our best in class product & service offerings.
- To encompass technological foresight with focused leadership.
- To create a trustworthy environment by keeping transparency with internal and external stakeholders.

Chairman's Message



Dear Shareholders,

It has been a year of challenging decisions at Smartlink Network Systems Limited.

Today, our brands are well established in the highly competitive and volatile networking market, populated by MNCs, Chinese brands, local and unorganized players and even an unorganized market. Our brands have built their reputation for being appropriate solutions of reliable quality at competitive prices.

We have earned the confidence of a growing customer base through our ability to innovatively tailor our offerings to their unique needs. We have very good standing with a number of verticals, ranging from SME/SMB and SOHO, all the way to the most critical industry and service sectors, and Government.

2014 was a good year for the networking infrastructure market with certain categories like Ethernet Switches showing exceptional high growth. This has been the result of hefty recent investments in networking/telecom infrastructure for 3G with its 4G LTE upgrade path. That's the way of the future, and it has yielded a good harvest indeed for the networking industry. In the quarters ahead, we can expect to see a rich mix of investments by various verticals, including Telecom, Government, BFSI, Education, Hospitality, Healthcare, Manufacturing, Retail, Professional Services and so on. There will be investment in various futuristic and visionary projects like Digital India and Smart Cities. There will be an eager anticipation of positive and supporting government policies and decisions. A large stratum of customers will be seeking to take

advantage of the ongoing convergence of technologies, applications, pre- and post-sales service and security, being offered as integrated solutions.

We're well placed to offer integrated solutions with a strong end-to-end infrastructure from manufacturing to customer service. Our manufacturing capabilities stem from our state-of-the-art Goa plant, where we see the PM's 'Make in India' commitment in action in anticipation of concrete steps by Government of India to support IT manufacturing in the country.

While the 'Make in India' proposition does not offer any duty advantage to locally manufactured networking products as yet, we have taken up the manufacturing of large volume products like wireless and ADSL routers in the 300Mbps space, which have been very well accepted in the market. Tailored and designed for Indian operating conditions, even their packaging reflects India make.

For us, the 'Make in India' proposition shortens the lead time to delivery, allowing us to be more responsive and flexible. Also, servicing is greatly facilitated, since no one knows the product as well as the people who made it in the first place.

I must also dwell a little on the restructuring of the product mix of our overall business. During the year, we decided to discontinue the sales of motherboards under DIGILITE brand for various reasons even though that business contributed very substantially to our overall turnover. There has been steady decline in the global as well as Indian motherboards market on account of a combination of factors like: narrowing price gaps between desktops and laptops, shutting down of desktop manufacturing by several leading manufacturers as more and more consumers opt for tablets and notebook PCs.

Traditionally too, motherboard business has always been a commodity business with dwindling margins. With declining demand, the bottom line contribution from this business was negative. We therefore, decided to exit the motherboard business and focus our energies and resources on future growth areas.

Our channel business has not grown largely on account of the proliferation of low cost Chinese brands and non-branded products.

With the growing market in wireless application areas and high bandwidth requirements, I feel we can do better in coming years by concentrating on our core businesses, pursuing a national market through our Pan-India office presence.

We have taken a special interest in large-premises system integration, and when we won substantial orders, we decided to concentrate even more on that segment. At the end of the last financial year we introduced our high end CCTV Surveillance products, which were well accepted in the market; so we decided to concentrate on Surveillance as another of our key businesses.

In conclusion, let me gratefully acknowledge all the generous support so freely given by my Colleagues on the Board, our Employees, our Stakeholders, Associates, Customers and Friends. I must also sincerely thank our Shareholders who have steadfastly held on to their faith in the Company. There may well be exciting times ahead, and I could wish for no better companions on that journey.

Thank you.

Sincerely,

K. R. Naik
Executive Chairman
DIN: 00002013

Business Overview

Smartlink Network Systems Ltd has been a pioneer in the field of networking products and technology in India. It ranks among the few companies to have a large scale state-of-the-art manufacturing facility for the manufacturing of networking products.

The company offers a comprehensive range of products for various communication needs including Switching, Broadband Routing, Wireless LAN and Surveillance. All Smartlink products are backed by high quality after sales and service support.

The Company has the following brands:

DIGISOL - For its range of Active Networking, Communication Products and Surveillance products

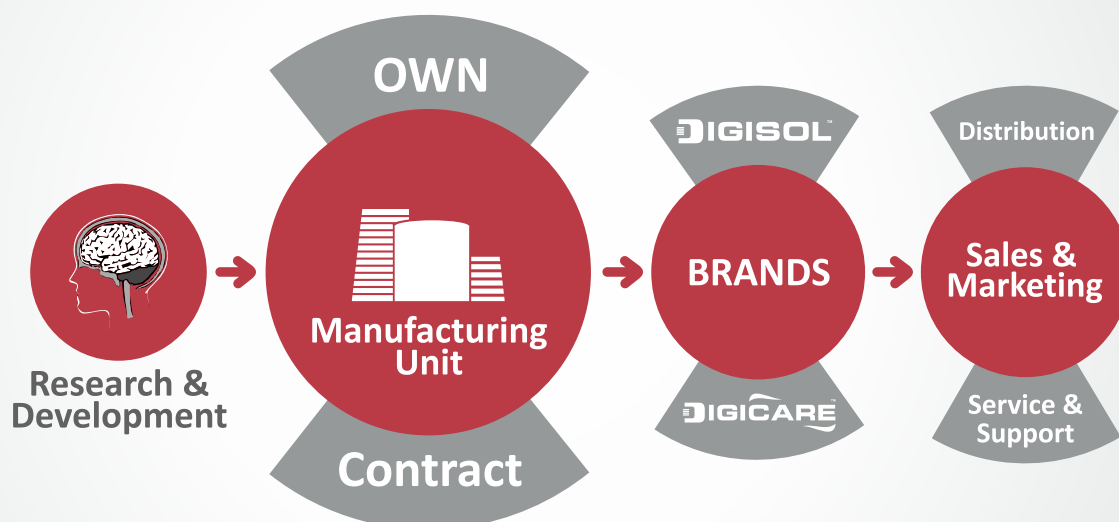
DIGICARE - For its service and support division

Smartlink has a nationwide network of over 10 branch offices, 20+ regional distributors, 180+ stockist partners, 222+ system integrators and more than 5000+ resellers across India and caters to customers across the value chain from small and medium businesses to large enterprises.

The 'Smartlink' Advantage

- Pioneers in bringing IT Networking to India
- Over two decades of experience in Manufacturing, Sales & Marketing in the IT Industry
- First company to start local manufacturing of IT Networking Products in India
- Excellent Support Services across PAN India
- Company known for its honesty, ethics, integrity and respected by all its peers in the Industry
- Smartlink Technical Assistance Centre located at Goa

Business Model



smartlink
Smart Solutions for a Smarter Planet

A wide range of DIGISOL products for all your networking and security needs.

DIGISOL



DIGISOL delivers a wide range of powerful networking products within **Converged Communications Solutions**. DIGISOL has a range of over 150 products across the IT networking spectrum. DIGISOL's best in class quality products are manufactured at its own manufacturing facility in Goa. Its R&D, a Pan-India distribution and call based technical support backed by a strong in-house service team.

DIGISOL offers products in the following areas:

- Switching
- Broadband Routing
- Wireless LAN
- Enterprise Wireless
- IP Surveillance
- CCTV Surveillance

Our well trained engineers offer assistance in designing optimum systems and provide value added services like consultancy, site evaluation, networking planning, site audits etc. to meet customer needs. With a pool of certified engineers we are always available to provide our customers with prompt technical support, pre-sales and post-sales. Our 'Future ready' products deliver unparalleled value and enable our customers to excel through lower network ownership costs, enhanced productivity, total reliability and easy scalability of their network.

Home Segment

DIGISOL maximizes your internet experience anywhere in and around your house by expanding your network in two ways: wired and wireless.

DIGISOL wireless products enable you to connect devices such as smart TVs, desktop computers and gaming systems to the internet for maximum speed. You can get connected to the internet via wireless, and stay connected no matter where you move within the house. It's Internet that keeps up with you. You can download music, videos, photos and gaming with High speed Internet on multiple devices.

DIGISOL offers a wide range of wireless products for the home segment, such as ADSL and broadband routers, wireless 3G and 4G compatible routers, 3G adaptors and wireless range boosters.

SOHO

DIGISOL offers a range of products for the small office and home office segment, such as wireless routers, wireless access points, switches, print servers, media converters and more.



SME Segment

DIGISOL is emerging as a strong player in the SME market, which will continue to be our focus area. We offer a good range of SME products, and constantly enhance and strengthen our range of solutions, based on a close understanding of the evolving needs of this segment. DIGISOL SME products have the key attributes of performance, scalability, reliability and eco-friendliness. Our offerings include the entire gamut of end-to-end networking solutions, including unmanaged, web-managed and managed switches, enterprise outdoor and managed wireless, broadband routing, converged communication, print servers, media converters and surveillance products.

PoE Solutions

In today's connected world, the IP connects all devices, whether wired or wireless. Wireless connectivity infrastructure is just as important as wired connectivity, since it provides mobility and more flexibility in deployment.

For most office networks, the infrastructure is usually structured as wireless for LAN and wired for HPC data centers. Wireless access points are an integral part of any office LAN or hotel infrastructure today, with aesthetic designs which can adapt to interiors. The only challenge is providing power sockets at each of the several installation points.

There is a similar challenge faced by IP surveillance solutions, with IP cameras being mounted in key areas and requiring power connections.

Power over Ethernet - or simply PoE - is technology which helps to overcome these challenges. It combines electrical power and ethernet signals on Cat 5E/Cat6 cables, and plugs into PoE-enabled APs/cameras to supply power to ON and feed signal. This provides more unified solutions that do away with plunging adapters and multiple wires.

DIGISOL provides cutting edge PoE solutions for serving different PoE needs today in terms of power, distance and I/Os.

For end-to-end unified experience, DIGISOL has PoE solutions which are not only PoE switches but also IP cameras and wireless access points which are 100% PoE standard compliant.

Security and Surveillance Products

Keeping in mind the growing need for better quality security and surveillance products in the country, DIGISOL has introduced a new range of CCTV and IP surveillance products. The CCTV range of products include a series of analog dome cameras, analog bullet cameras, analog DVRs, AHD dome cameras, AHD bullet cameras and AHD analog DVRs. The IP surveillance products include fixed cameras, dome cameras, pan tilt cameras, pan tilt zoom cameras, bullet cameras and network video recorders (NVR).

DIGISOL is targeting segments such as homes, residential complexes, retail outlets and hospitality, and our product range is ideally suited for catering to all next-generation surveillance needs coming up in the country.



DIGICARE

Smartlink provides service and support under a special division known as DIGICARE.

DIGICARE's RMA has an all India network of 62 service and support centres and has a Technical Call centre as well, called STAC (Smartlink Technical Assistance centre).

DIGICARE supports all India customers on voice, email and chat.

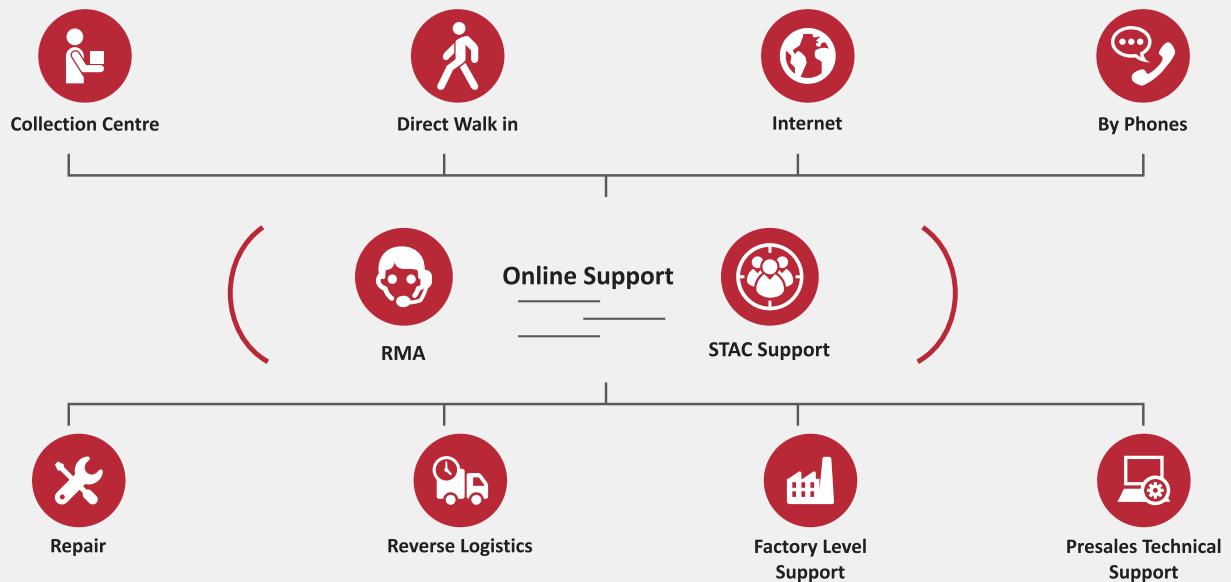
DIGICARE offers significant advantages:

- State-of-the-art infrastructure, well equipped, with the latest equipments
- High skill sets to repair networking products, motherboards, notebooks and LCD monitors
- Supports level 1, 2 and 3 troubleshooting in PC Motherboards, LAN adapters, switches, routers, broadband, VoIP, etc.
- Unique web based CRM system with web access to the Customers to monitor service activity

DIGICARE provides effective support and after sales services to wide product portfolio of Smartlink.



DIGICARE Service Cycle



Electronic Manufacturing Services

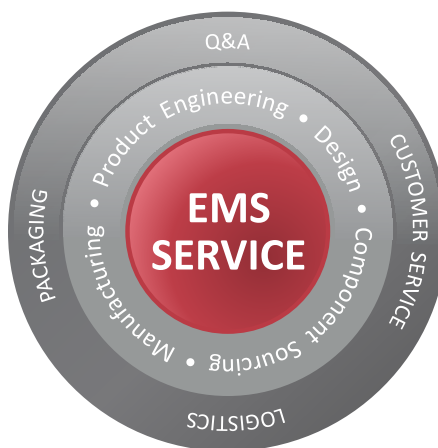
Smartlink has over two decades of experience in manufacturing electronic products for the IT, networking and the telecom industries. Its state-of-the-art manufacturing facility at Goa is highly versatile and is geared for delivering products of international quality and meeting tight delivery schedules. The highlights of Smartlink Electronic Manufacturing Services (EMS) are:

- ISO 9001:2008 and ISO 14001:2004 certified plants with highly versatile SMT lines
- Production shop floor area of 1,20,000 sq. ft.
- World class manufacturing setup with dust proof and humidity controlled environment
- SMT setup with unique integration
- Latest technology equipments like - 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 deliver the finest quality

Benefits of Local Manufacturing

Companies can enjoy significant benefits by having their products manufactured locally. These include:

- Preferential treatment in Govt, PSU purchases
- Shorter lead times
- Component level service support
- Local product warranty
- Higher value addition
- Cost benefits for planned purchases





Board of Directors



K. R. Naik
Executive Chairman

Mr. K. R. Naik is the founder of Smartlink Network Systems Ltd. He joined the Company as the Director on 31st March 1993. His vision is to make the company a premier technology Company 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 a Post Graduate Degree in Industrial Engg. from Jhunjunwala College, Mumbai and a Diploma in Business Management from Jamnalal Bajaj Institute of Management, Mumbai. He started his career with IBM India and worked in the design and development of parts and products in IBM. He is also a former President of MAIT.

Arati Naik

Arati Naik has been the Chief Operating Officer at Smartlink from June, 2014 and is responsible for scaling up the Company's operations and expanding its presence. She is actively involved in managing DIGISOL business and defining strategies for the products business. She is BE (Honours) in Computing Technology and MSc (Honours) in Business Information Systems from University of Bolton, United Kingdom.



Pradeep Rane

Mr. Pradeep Rane is a science graduate and has about 32 years of experience in Sales and Marketing and overall Business Management in the Pharmaceuticals industry.

Jangoo Dalal

Mr. Jangoo Dalal, is an industry veteran and brings with him 26 years of industry experience from organizations like Wipro Infotech, Wipro British Telecom, Cisco Systems, erstwhile D-Link (India) Limited and Avaya. He has varied and diverse experience in the IT and Communications Industry encompassing management, marketing and strategic planning. He holds a Bachelor Degree in Science and Master of Management Studies (MBA) with specialization in Marketing from Mumbai University.





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. Mr. Pankaj Baliga has more than 35 years of experience in management, including 30 years with the Tata Group with the last 12 years at Tata Consultancy Services Ltd (TCS).

K. M. Gaonkar

Mr. K. M. Gaonkar possesses a Masters Degree in Science from UDC Mumbai and has 30 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.



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 30 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 21 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 Joint Managing Director.

Pradeep Pande

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



The journey of a thousand miles begins with one step. *Lao Tzu*

And this is how we see Smartlink's successful journey of over two decades; starting with a single SMT line in Goa, it has travelled a long nourishing path to reach its coveted position in the IT Networking industry today...



FINANCIAL INFORMATION



Directors' Report

TO THE MEMBERS,

The Directors of your Company take pleasure in presenting their 22nd Annual Report together with Audited Balance Sheet and Statement of Profit & Loss for the financial year ended 31st March, 2015.

1. FINANCIAL RESULTS AND APPROPRIATIONS OF THE COMPANY

(₹ in million)

	2014-15	2013-14
Income from operations (Gross)	928.80	1543.15
Other Income	413.74	233.96
Profit/(Loss) Before Depreciation and Tax	167.50	(22.45)
Add/Less: Depreciation for the year	32.69	36.95
Profit/(Loss) Before Tax	134.81	(59.40)
Less: Provision for Tax		
a) Current Tax	21.50	-
b) Deferred Tax	(18.75)	-
c) Tax adjustment of Previous Year	-	38.47
Profit/(Loss) After Tax	132.07	(20.93)
Balance of profit brought forward	3113.15	3204.29
Less: Depreciation on transition to schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life	1.57	-
Amount available for appropriations	3243.64	3183.36
- Final Dividend	60.01	60.01
- Corporate Dividend Tax	12.00	10.20
Balance carried forward to Balance Sheet	3171.64	3113.15
Earnings Per Share (₹)	4.40	(0.70)

2. REVIEW OF OPERATIONS

In the financial year 2014-15, the company achieved an Income from operations of ₹ 928.80 million as compared to ₹ 1543.15 million in the previous year.

Profit before depreciation & tax was ₹ 167.50 million for the year ending 31st March, 2015 as compared to Loss of ₹ 22.45 million in the previous year.

Profit after tax was ₹ 132.07 million for the year ended 31st March, 2015 as compared to a loss of ₹ 20.93 million in the previous year.

There were no material changes and commitments affecting the financial position of the Company from the end of the financial year till the date of the Directors' Report.

3. DIVIDEND

Your Directors have recommended for your consideration a dividend of ₹ 2/- per share (100%) for the year 2014-15.

4. RISK MANAGEMENT

The Company has a robust Risk Management 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 risks 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.

5. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate 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 on an ongoing basis.

6. VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and employees to report genuine concerns about unethical behaviour, 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 of this policy 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>. The provisions of the Policy are in accordance with the provisions of Section 179 of the Act and amended Clause 49 of the Listing Agreement.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions relating to undertaking CSR activity under section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable for the current year. However, the Company has constituted a CSR Committee consisting of the following Directors; namely:

1. Mr. Bhanubhai Patel (Chairman)
2. Mr. K. R. Naik (Member)
3. Mr. Pankaj Baliga (Member)

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>

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

On recommendation of the Nomination and Remuneration Committee the Board of Directors had appointed Mr. Bhanubhai Patel and Mr. Pradeep Pande as Additional Directors of the Company in the category of Independent Directors with effect from 09th September, 2014 and 05th January, 2015 respectively subject to the approval of the Shareholders.

On recommendation of the Nomination and Remuneration Committee the Board had also appointed Ms. Arati Naik as an Additional Director of the Company in the Category of Executive and Whole Time Director for a period of 3 years with effect from 09th September, 2014 subject to the approval of the Shareholders.

The resolutions seeking approval of the members for the appointment of Ms. Arati Naik, Mr. Bhanubhai Patel & Mr. Pradeep Pande along with the particulars of Directors as required under Clause 49 (VIII)(E)(I) of the Listing Agreement entered with the Stock Exchange are given in the notice of the forthcoming Annual General Meeting of the Company. The Company has received a notice under section 160 of the Act along with the requisite deposit proposing their appointment.

In accordance with the provisions of the Companies Act, 2013; Mr. Pradeep Rane, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

All Independent Directors have given declaration that they meet the criteria for independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Mr. Dattaraj Salgaonkar ceased to be a Director of the Company w.e.f. 26th July, 2014

Mr. K. R. Naik, Executive Chairman, Mr. Bhushan 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.

8.1 BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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. The manner in which the evaluation has been carried out has been given in the Corporate Governance Report.

8.2 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.

8.3 MEETINGS

During the year 5 Board Meetings and 4 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.

8.4 AUDIT COMMITTEE

The details of the composition of the Audit Committee are given in the Corporate Governance Report. During the year all the recommendations of the Audit Committee were accepted by the Board.

9. DIRECTOR'S 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, 2015 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.

10. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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 of such transactions.

11. 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.

12. SUBSIDIARY

The Company has closed its Wholly Owned Subsidiary Company namely M/s Smartlink Middle East FZE w.e.f. 23rd October, 2014.

13. EMPLOYEE STOCK OPTION SCHEME

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

14. AUDITORS

14.1 STATUTORY AUDITORS

Pursuant to provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (Registration No.

117366W/W-100018), were appointed as Auditors of the Company to hold office till the conclusion of the 24th Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. There were no adverse comments by the statutory auditors of the company in their Report and notes thereto are self explanatory in nature.

14.2 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 Dr. K. R. Chandratre, a Company Secretary in Practice (CP No. 5144) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure - B". The report does not contain any qualification.

14.3 COST AUDITOR

The Cost Audit Report for the year ended 31st March, 2014 was filed by the Company with the Ministry of Corporate Affairs on 13th August, 2014 vide SRN S30868178.

15. INTERNAL COMPLAINTS COMMITTEE

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.

16. DISCLOSURE REQUIREMENTS

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. Management Discussion and Analysis is annexed as "Annexure A" to the report & Secretarial Audit Report as "Annexure B". As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on the corporate governance is annexed as "Annexure - C", together with a certificate from Dr. K. R. Chandratre confirming compliance annexed as "Annexure - D". Declaration by the Executive Chairman is annexed as "Annexure - E".

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. CONSERVATION OF ENERGY

The steps taken or impact on conservation / utilising alternate sources of energy;

- i. In order to meet our hot water requirements, a Solar water heater has been installed at our factory.
- ii. Campus lighting has been changed from Halogen to LED.

B. RESEARCH & DEVELOPMENT & TECHNOLOGY ABSORPTION

No new technology was absorbed during the year by the Company.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange outgo and earnings is stated in Note 36 (d) and Note 36 (e) respectively forming part of the Accounts.

18. EXTRACT OF ANNUAL RETURN

As provided under section 92 (3) of the Act, the extract of the Annual Return in form MGT-9 is annexed herewith as **"Annexure F"** which forms part of this report.

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

The information required under section 197 of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is annexed as **"Annexure – G"** to this report.

20. FIXED DEPOSITS

Your Company has not accepted any fixed deposits during the year under review and as such, no amount of principal or interest was outstanding as on the date of Balance Sheet.

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

Pursuant to Section 186 of the Companies Act, 2013, the Company does not have any loans/advances/ investments outstanding during the year.

22. 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

Dated: 13th May, 2015

K. R. NAIK

Executive Chairman

DIN: 00002013

Management Discussion and Analysis (Annexure - A)

ECONOMIC OVERVIEW

Global growth in 2014 was a modest 3.4 percent with a pickup in growth in advanced economies but a slowdown in emerging market and developing economies. Complex forces that affected global activity in 2014 are still shaping the outlook: medium and long-term trends, global shocks, and many country or region-specific factors.

Growth is projected to be stronger in 2015 relative to 2014 in advanced economies, but weaker in emerging markets, reflecting more subdued prospects for some large emerging market economies and oil exporters. Global growth is forecasted at 3.5 percent in 2015 and 3.8 percent in 2016, with uneven prospects across the main countries and regions of the world. The decline in oil prices could boost activity more than expected. Geopolitical tensions continue to pose threats, and risks of disruptive shifts in asset prices remain relevant. In some advanced economies, protracted low inflation or deflation also pose risks to activity.

(Source: World Economic Outlook, IMF, April 2015)

With the new government in India enjoying a clear mandate, expectations have been built on the fast tracking of reforms which will boost Indian and foreign investments in various sectors. The drop in the oil prices has significantly reduced the current account and fiscal deficit and inflation. This has started showing results.

The Indian economy has started looking upbeat with outlook improving. The economy grew by 7.2% in FY15 and is expected to grow by 7.5% during the current financial year (FY16). In its India development update, the World Bank pegged India's economic growth at 7.9% for FY17. The Government is planning to take steps to boost investments in Infrastructure and support IT manufacturing. On the whole the economic picture looks much brighter and this optimism augurs well for the IT and for the networking industry.

IT SPEND - GLOBAL AND LOCAL

With the global economy showing signs of a pickup in several major markets, worldwide IT spending showed modest growth and increased to US \$ 3.7 trillion in CY14, a 0.9% increase from 2013 spending. However, on account of the rising dollar, Gartner predicts that worldwide IT spending is set to shrink to \$ 3.66 trillion, a 1.3% decline from 2014.

The U.S. dollar spending on devices (including PCs, ultramobiles, mobile phones, tablets and printers) for 2015 is forecast to decline 1.2 percent to \$685 billion. Spending for all devices in 2015 was revised down partly due to a slowdown in PC purchases in Western Europe, Russia and

Japan, countries where local currency has devalued against the dollar. The mobile phone market is not as affected by the currency shifts. Substantial change in the phone mix in emerging markets toward lower-priced smartphones negates price increases of premium phones, resulting in flat phone average selling prices between 2014 and 2015.

Data center system spending is projected to reach \$142 billion in 2015, an increase of just 0.4 percent from 2014. Spending in the enterprise software market is on pace to total \$320 billion in 2015, a 2.3 percent increase from 2014.

Table 1. Worldwide IT Spending Forecast

(Billions of U.S. Dollars)

	2014 Spending	2014 Growth (%)	2015 Spending	2015 Growth (%)
Devices	693	2.4	685	-1.2
Data Center Systems	142	1.7	142	0.4
Enterprise Software	313	4.3	320	2.3
IT Services	948	1.8	942	-0.7
Telecom Services	1,614	-0.8	1,572	-2.6
Overall IT	3,710	0.9	3,662	-1.3

Source: Gartner (April 2015)

IT services spending will contract slightly to \$942 billion in 2015, down from \$948 billion in 2014. Growth in spending on telecom services is predicted to shrink by 2.6 percent in 2015, to total \$1.57 trillion.

INDIAN HARDWARE MARKET

Indian PC Market

Personal Computer (PC) shipments in India declined 16.5% to 9.6 million units in 2014 from the previous year.

The consumer PC market recovered in the second half of the year starting June, rising 1.7% in the year over 2013 to touch 4.9 million shipments, IDC said. The company attributed the rise to innovative pricing actions by vendors, festive buying and pent-up demand. Overall, the commercial PC market fell 29.6% to 4.7 million units in 2014, IDC said "Continuing from 2013, consumer sentiments remained frail until elections. However, the stable government in the centre aided hopes on reforms and economic progress boosting overall end-user confidence. Also, subsiding inflation and rapid growth of online trade coupled with the introduction of sub-\$400 devices created just the right buzz for PC business in 2014," said Kiran Kumar, research manager, IDC.

(Source: IDC)

INDIAN NETWORKING INDUSTRY

According to International Data Corporation (IDC), the Networking market (including LAN and WLAN hardware) in India witnessed highest revenue since CY 2008, with over 20% growth year on year.

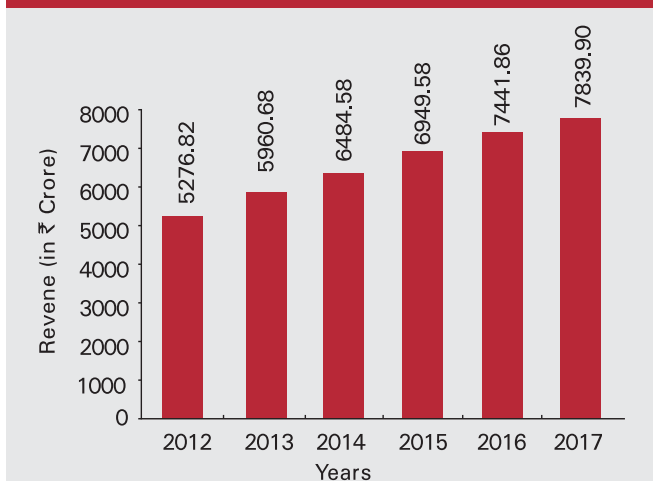
Visionary projects like Digital India and Smart Cities are expected to see some pilots and testing in CY 2015. Innovation in networks would be backed by developments in SDN and NFV space and the market is expected to become more solution centric, where in the convergence of better technology, applications, pre and post-sales services, brand relocation, and security is expected to be well defined and coupled tightly.

The Indian IT infrastructure market - server, storage and networking equipment - is expected to grow 4 percent to \$1.9 billion in 2014 and will reach \$2.35 billion market by 2017, said Gartner. Key IT initiatives including mobility, cloud and big data will be the growth drivers.

Interestingly, the global IT infrastructure investment is expected to be almost flat in 2014 and will be primarily driven by hyper scale and data center modernization initiatives. "In the global landscape, India is a promising IT Infrastructure market through 2017," said Mike Harris, research group vice president at Gartner.

Indian enterprises will be focusing on building intelligent data centers that focus on optimizing existing hardware assets by using additional software capabilities. This will drive increased attention on newer trends such as public cloud, and integrated systems. Storage modernization and consolidation, backup and recovery, and disaster recovery are some of the key drivers to this market, and they are likely to remain relevant drivers over the forecast period through 2017.

Enterprise Network Equipment Market (2012-17)



According to Suman Bisht, Market Analyst - Enterprise Networking and UC&C IDC India, "The increasing adoption of 3rd platform, i.e., the blend of social media, mobility, big data & analytics and cloud computing in the operations and delivery aspect of enterprises will attract more investments in the wired as well wireless networking infrastructure.

IDC India forecasts that increasing demand for data based applications, professionals seeking data and flourishing SMBs are expected to boost the need for network resources directly or indirectly. CY 2015 is expected to attract investments from various verticals, especially, Government, Telecom and BFSI with Education and healthcare playing their part in the WLAN space particularly. Vendors are likely to be strategizing and re-strategizing in order to align with the new government's digital initiatives. Manufacturing, Education, Government/ PSUs, and Professional services verticals will augment their infrastructure both through refresh and rollouts. If 2014 was the best year for the networking infrastructure market in India since 2008, next few quarters are expected to ride on the back of government announcements and positive sentiments.

INDIAN SURVEILLANCE MARKET

Rising need for advanced security, increasing public surveillance, growing IT infrastructure, increasing IT spending, and surging criminal activities have spurred the market for IP Video Surveillance systems in India.

According to 6Wresearch, Indian IP video surveillance is projected to reach \$952.94 million by 2016 with a CAGR of 32.49% from 2011-2016. In overall IP video surveillance market, IP surveillance cameras accounts for key share of the market revenues and is expected to lead through the forecast period. Amongst all IP surveillance cameras, bullet shaped camera has captured major share of market volume in 2014; however, shift towards dome shape camera is exhibited over the next six years.

As per Anuj Mehrotra, Research Analyst, 6Wresearch Electronics Division, "Declining prices, terrorist strikes, government initiatives, rising public infrastructure, increasing government security spending and growing awareness have fuelled the adoption of IP Surveillance systems in India." "Further, surging need for video analytics and remote monitoring has also led to rising penetration of IP surveillance systems in the country.

In India IP video surveillance market, government and transportation application has generated majority of the market share and is anticipated to maintain its market leadership over the next six years. Other key growing applications include - banking & financial, retail, and commercial offices.

BUSINESS OVERVIEW

Smartlink is committed to the Government's call of 'Make in India' and has always encouraged local manufacturing in the Indian IT Sector. The company's legacy of local manufacturing dates back to a time when local manufacturing looked unfeasible which gave Smartlink the impetus.

The internet age is evolving rapidly with the advent of 4G, 5G and IoT (Internet of Things) and is impacting our lives like never before. Today, around 20% of Indians use internet to connect and communicate with the world. This will open up new areas of opportunity for Smartlink.

As the first company in the country to introduce manufacturing of networking devices, Smartlink has over two decades of experience in networking and is evolving and innovating so that its products are in line with the latest demands and requirements of consumers and industry.

Smartlink has revamped its strategies which are now more customized to the 'Make in India' campaign which is reflected in the packaging of its products. Local manufacturing is a sure win-win formula as it would require designing and manufacturing for India by India.

Manufacturing in India will enable Smartlink to make significant savings. There will also be a significant reduction in lead time for deliveries to the customer, especially in the case of complex engineering or high-tech products. This will allow Smartlink to be far more responsive and flexible to changing customer needs. Also, servicing of locally manufactured products will be much convenient because it is easy to understand technology that has gone in manufacturing local products.

DIGISOL

Networking Products:

DIGISOL is committed to delivering products that offer its customers an unbeatable combination of power, convenience, ease of use and mobility. They span the entire spectrum ranging from those for personal individual use to products for enterprise level application.

With DIGISOL'S vast product base in Wireless LAN, Routing and Switching, the entire spectrum for end to end networking in the active space is already covered. But with the need for portability and ease of use, Smartlink too has introduced, compact and technologically powerful devices that give performance par-excellence.

The new 4G compatible and high speed routers, cater to the demand for faster and seamless connectivity, while the 3G Wi-Fi dongle, Mi-Fi routers and Powerbank Routers are the perfect fit being connected on the go and sharing internet with colleagues and family for both professionals and students alike.

Also, with the shift towards more environmentally conscientious and green technology, the newly introduced PoE (Power over Ethernet) switches ensure optimum use of electricity and ease, while being lighter on the pocket too!

Another, feather in DIGISOL's cap is the end-to-end Indoor and Outdoor, Wireless Access Point range, which caters to small, medium and large industry requirement, especially in the hospitality, govt and education verticals. The demand for longer range of Wireless connectivity is met with these products.

Security and Surveillance Products:

Security in form of surveillance, be it in one's home or office, is of utmost importance as it ensures safety and protection from harmful situations, be it theft or any unforeseen situations.

With this thought in mind, DIGISOL had also introduced CCTV surveillance, to increase its reach in the analogue field, as it already was present in the digital space with IP Surveillance.

DIGISOL sees this as a major business line in the future and will be investing in a clear strategy with a focused team, to grow and spread its wings further in this field.

With the current product line catering to all sizes of the market and DIGISOL's advent into the HD space, the CCTV product line will see a significant growth in both innovation and timely market requirement.

DIGILITE

Smartlink had become a distinguished player in the motherboard market and its brand DIGILITE had earned strong reputation for its high end Intel and AMD based Motherboard products which had become a benchmark for robustness and dependable quality.

However, there has been a continued slow-down of motherboard demand throughout the world and motherboard manufacturers globally have been looking at other businesses to maintain profitability. The reduction in demand led to aggressive price cutting by global manufacturers which further impacted profitability.

The Indian motherboard market also faced a similar situation. In fact, the situation was compounded by several large OEM manufacturers closing down in India their desktop manufacturing facilities. Price cutting led to severe erosion in margins and with the market showing a major shift from desktops to laptops and tablets, the prospects for motherboard manufacturers were indeed grim. Smartlink saw the writing on the wall and decided to exit the motherboard business sold under Digilite Brand.

We had introduced the Tablets and Powerbank products to see the diversification of the product range. But realizing the market is overcrowded by brand as well as unorganized players, company has decided not to pursue the plans aggressively.

DIGICARE

After Sales Service and Support:

Smartlink is among the very few IT companies which 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.

Smartlink offers the highest quality integrated service and support through its special service division, DIGICARE, which consists of RMA Centres, Smartlink Technical Assistance Centre (STAC) and Direct Service Department (DSD).

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 which includes:

- Providing remote support to the channel partners and end customers on configuration of products in various networks.
- Warranty support for repair/replacement of products when they go defective during warranty period.
- Post warranty support to manage the trouble free functioning of the product.

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 STAC 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 Bangalore and 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.

FINANCIAL PERFORMANCE

- Revenue from Operations: The Company's Revenue from Operations (Gross) was ₹ 928.80 million for the current year as compared to ₹ 1543.15 million for the previous year.

- Profit Before Tax: Profit before Tax was ₹ 134.81 million for the current year as compared to a loss of ₹ 59.40 million in the previous year.
- Profit After Tax: Profit after Tax of the Company was ₹. 132.07 million during the current year as compared to loss of ₹ 20.93 million in the previous year.

HUMAN RESOURCES

Smartlink is an equal-opportunity employer and human values from the backbone of the organization.

Smartlink 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

Smartlink has always focused on developing the employees and enhancing their capabilities. The key element of Smartlink Human Resource strategy is to provide a working environment that encourages innovation, enhances work satisfaction and builds a merit-driven organization. The Company'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 March 31, 2015, the Company had 348 permanent employees, Smartlink's future success will depend, in part, on its 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.

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 India 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.

The Company is exposed to fluctuations in foreign currency, in particular the movement of US dollar vis-à-vis the Indian Rupee. The Company imports more than 90% of its 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

The Company has appointed an independent internal audit firm which conducts a complete review of all transactions throughout the year to ensure that they are properly authorized and recorded in the books of account. The Internal Audit firm directly reports to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of internal control systems and procedures and reviews the steps taken to implement the recommendations made by the internal auditors.

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. Information provided in this MD&A pertain to Smartlink Network Systems Ltd. unless otherwise stated.

Secretarial Audit Report

(Annexure - B)

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[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 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 Network Systems Limited (hereinafter called 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 on 31st March 2015 ('Audit Period') 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 on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') 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, Overseas Direct Investment and External Commercial Borrowings (FEMA 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, 1992;
 - (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 (Not applicable to the Company during the Audit Period).

(vi) During the period under review no law was specifically applicable to the company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not applicable to the Company as on today).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has 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. 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.

Adequate notice is given to all directors to schedule the Board Meetings, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 the Company has closed down its Subsidiary M/s Smartlink Middle East (FZE) w.e.f 23/10/2014 (Give details of specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above).

Dr. K. R. Chandratre
FCS No. 1370, C P No: 5144

Place : Pune
Date : 13th May, 2015

Report on Corporate Governance

(Annexure - C)

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement 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 8 members consisting of 2 Executive Directors and 6 Non-Executive Directors out of which 4 are Independent Directors. The name and category of each Director is given below:

Name of the Director	Category
Mr. K. R. Naik	Executive Director & Promoter
Ms. Arati Naik*	Executive Director & Promoter
Mr. Jangoo Dalal	Non-Executive Director
Mr. Pradeep Rane	Non-Executive Director
Mr. Pankaj Baliga	Non-Executive & Independent Director
Mr. K. M. Gaonkar	Non-Executive & Independent Director
Mr. Bhanubhai Patel*	Non-Executive & Independent Director
Mr. Pradeep Pande**	Non-Executive & Independent Director
Mr. Dattaraj Salgaonkar***	Non-Executive & Independent Director

* Appointed as an Additional Director of the Company w.e.f. 09th September, 2014

** Appointed as an Additional Director of the Company w.e.f. 05th January, 2015

*** Ceased to be a Director of the Company w.e.f. 26th July, 2014

B. 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, Clause 49 of the Listing Agreement and other relevant regulations and his affirmation taken with respect to the same.

C. Number of other Directorships and Chairmanship/Membership of Committees of each Director in other Companies

Name of the Director	Number of Directorship(s) in other companies*	No of Chairmanship / Membership in other Board Committee(s)**	
		Member	Chairman
Mr. K. R. Naik	Nil	Nil	Nil
Ms. Arati Naik	Nil	Nil	Nil
Mr. Jangoo Dalal	1	Nil	Nil
Mr. Pradeep Rane	Nil	Nil	Nil
Mr. Pankaj Baliga	Nil	Nil	Nil
Mr. K. M. Gaonkar	Nil	Nil	Nil
Mr. Bhanubhai Patel	2	Nil	Nil
Mr. Pradeep Pande	Nil	Nil	Nil

*Excludes Directorships in Foreign companies

**In accordance with Clause 49 of the Listing Agreement, Membership/Chairmanship of only Audit Committee and Stakeholders' Relationship Committee in all companies (excluding Smartlink Network Systems Limited) have been considered.

D. Attendance of Directors at the Board Meetings and the last Annual General Meeting (AGM)

Name of the Director	Attendance at the Board Meeting held on					Attendance at the AGM held on 26 th July, 2014
	April 29, 2014	July 25, 2014	September 09, 2014	November 12, 2014	January 30, 2015	
Mr. K. R. Naik	✓	✓	Leave of Absence	✓	✓	✓
Mr. Jangoo Dalal	✓	✓	✓	✓	✓	✓
Mr. K. M. Gaonkar	✓	✓	✓	✓	✓	✓
Mr. Pankaj Baliga	✓	✓	✓	✓	Leave of Absence	✓
Mr. Pradeep Rane	✓	✓	✓	Leave of Absence	✓	✓
Ms. Arati Naik*	N.A.	N.A.	N.A.	✓	✓	N.A.
Mr. Bhanubhai Patel*	N.A.	N.A.	N.A.	✓	✓	N.A.
Mr. Pradeep Pande**	N.A.	N.A.	N.A.	N.A.	✓	N.A.
Mr. Dattaraj Salgaocar***	Leave of Absence	Leave of Absence	N.A.	N.A.	N.A.	Absent

* Appointed as an Additional Director of the Company w.e.f. 09th September, 2014

** Appointed as an Additional Director of the Company w.e.f. 05th January, 2015

*** Ceased to be a Director of the Company w.e.f. 26th July, 2014

E. Board Agenda

The Board meetings are scheduled well in advance and the Board members are 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.

F. 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 and Nomination and Remuneration Committee.

i. Audit Committee (constituted in 2001)

The terms of reference and role and responsibilities of the Audit Committee has been modified in accordance with Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and amendments to Clause 49 of the Listing Agreement.

1. Terms of reference 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

2. Terms of reference as per Clause 49 of the Listing Agreement

a) Powers of Audit Committee

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

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

b) Role of Audit Committee

The role of the Audit Committee shall include the following:

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. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
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 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 of the Companies Act, 2013
 - 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. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;

16. 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;
 17. 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;
 18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Explanation (i): The term “related party transactions” shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.

c) Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

The Company Secretary of the Company acts as the Secretary to the Audit Committee. All the Directors on the Committee are financially literate and Mr. K. M. Gaonkar has expertise in Finance.

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

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

Name of the Member	Category	Attendance at the Audit Committee Meeting held on			
		April 29, 2014	July 25, 2014	November 12, 2014	January 30, 2015
Mr. Pankaj Baliga (Chairman)	Non-Executive and Independent	✓	✓	✓	Leave of Absence
Mr. K. M. Gaonkar	Non-Executive and Independent	✓	✓	✓	✓
Mr. Pradeep Rane	Non-Executive Director	✓	✓	Leave of Absence	✓
Mr. Bhanubhai Patel	Non-Executive and Independent	N.A.	N.A.	N.A.	✓

The representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings.

ii. Nomination and Remuneration Committee (Constituted in 2010 as Remuneration Committee)

The existing Remuneration Committee has been renamed as 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 amended Clause 49 of the Listing Agreement.

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

- 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;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- 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.

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

Name of the Member	Category	Attendance at the Nomination and Remuneration Committee Meeting held on			
		April 29, 2014	May 15, 2014	September 09, 2014	January 30, 2015
Mr. K. M. Gaonkar (Chairman)	Non-Executive and Independent	✓	✓	✓	✓
Mr. Pradeep Rane	Non-Executive Director	✓	✓	✓	✓
Mr. Pankaj Baliga	Non-Executive and Independent	✓	✓	✓	Leave of Absence
Mr. Jangoo Dalal (appointed w.e.f 29 th April, 2014)	Non-Executive Director	Not Applicable	✓	✓	✓

4. Nomination and Remuneration Policy

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

5. The remuneration paid to the Directors for the year ended 31st March, 2015 is given below**a) Executive Directors**

Executive Director	Salary, Contribution to P.F, Perquisites & Commission
Mr. K. R. Naik - Executive Chairman	Nil
Ms. Arati Naik - Whole Time Director designated as Chief Operating Officer (COO)	₹ 14,35,224/- (w.e.f. 9th September 2014)

Salient features of the Terms of Appointment

Particulars	Mr. K. R. Naik	Ms. Arati K. Naik
Salary	₹ 6,00,000/- to ₹ 10,00,000/- per month	Remuneration not exceeding ₹ 30,00,000/- (Rupees Thirty Lakh only) per annum of which 60% will be fixed
Perquisites	In addition to salary the perquisites shall be paid as approved by the shareholders at the Annual General Meeting held on 30 th July, 2011	-
Commission	Nil	Nil
Variable/Performance Pay	Nil	40% of total remuneration shall be variable pay
Terms of Appointment	Re-appointed for a period of five years with effect from 26th December, 2011. Considered as Key Managerial Personnel with effect from 1 st April, 2014	Appointed as Whole Time Director of the Company w.e.f 09 th September, 2014 subject to shareholders approval for a period of 3 years
Notice Period	Either party may terminate the appointment by giving the other party three months notice in writing	Either party may terminate the appointment by giving the other party two months notice in writing
Severance fees	None	None

b) Non-Executive Directors

In accordance with the resolution passed at the Annual General Meeting held on 30th July, 2011 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.

c) Details of sitting fees paid/to be paid to the Non-Executive Directors for the period under review are as under

Non-Executive Directors	Sitting Fees (₹)
Mr. K. M. Gaonkar	6,10,000/-
Mr. Pankaj Baliga	4,55,000/-
Mr. Pradeep Rane	5,05,000/-
Mr. Jangoo Dalal	4,20,000/-
Mr. Bhanubhai Patel	2,00,000/-
Mr. Pradeep Pande	50,000/-
Mr. Dattaraj Salgaonkar*	Nil

* Ceased to be a Director of the Company w.e.f. 26th July, 2014

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

The Company has paid dividend to the following Non-Executive Directors:

Name of the Non-Executive Director	Number of Shares held	Amount of Dividend paid towards Final Dividend 2013-14
Mr. K. M. Gaonkar	68,962	1,37,924
Mr. Pradeep Rane	Nil	Nil
Mr. Pankaj Baliga	Nil	Nil
Mr. Jangoo Dalal	60,000	1,20,000
Mr. Bhanubhai Patel*	N.A	N.A
Mr. Pradeep Pande**	N.A	N.A

* Appointed as an Additional Director of the Company w.e.f. 09th September, 2014

** Appointed as an additional Director of the Company w.e.f 05th January, 2015

iii. Stakeholders' Relationship Committee (Constituted in 2001 as Shareholders'/Investors' Grievance Committee)

Investors Grievance Committee has been renamed as Stakeholders Relationship Committee as required under Section 178 (5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with effect from 29th April, 2014.

1. Terms of reference

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

2. Composition and Attendance of Members of Stakeholders' Relationship Committee at the Meetings held during the year

Name of the Member	Category	Attendance at the Stakeholders' Relationship Committee Meeting held on January 30, 2015
Mr. Pankaj Baliga (Chairman)	Non-Executive and Independent	Leave of absence
Mr. K. R. Naik	Executive Director & Promoter	✓
Mr. K. M. Gaonkar	Non-Executive and Independent	✓

Name and Designation of Compliance Officer - Ms. Urjita Damle, Company Secretary w.e.f. 2nd May, 2014

During the year, the Company had received 55 complaints from the shareholders and the same were attended and resolved to the satisfaction of the shareholders. There were no complaints pending at the end of the year.

G. 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 Clause 49 II (4) of the Listing Agreement. 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 27th March, 2015, inter alia, to:

- review the performance of non-independent directors of the Company;
- review the performance of the Board as a whole
- review the performance of the Chairperson of the company
- 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

Clause 49 (II) (B) (7) of the Listing Agreement (effective from October 1, 2014) with the Stock Exchanges 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 - <http://smartlink.co.in/wp-content/uploads/2014/10/Smartlink-Independent-Directors-Familiarization-Programme.pdf>.

H. Board Diversity Policy

The Company in compliance with Clause 49 (IV) of Listing Agreement with the Stock Exchanges 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.

I. Performance Evaluation Policy

The Company in compliance with Section 134 (3) (p) of the Companies Act, 2013 and Clause 49 (IV) of the Listing Agreement with the Stock Exchanges 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 Stakeholders Relationship Committee. 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 Chairman and Executive Directors was carried out by the Independent Directors. The Directors expressed their satisfaction over the entire evaluation process.

J. Risk Management Policy

In accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has formulated a Risk Management Policy. The Board shall from time to time monitor and review the said policy.

K. Disclosures

a. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved Related Party Transaction policy which has been uploaded on the website of the Company at <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 statutory authority on any matters related to capital markets during the last three years. The details of the case on buy back is given below:

SEBI had filed a case with the Metropolitan Magistrate, 47th Court, Esplanade, Mumbai vide criminal case no. 30/SS/06 in the year 2006 against the Company and its Directors under Section 77A (4) r/w Section 621 for alleged contravention of the provisions of the erstwhile Companies Act, 1956 for failing to complete the process of buy back of share, as provided under the section. The Company alongwith its Directors and Company Secretary had filed a Writ petition in the Hon'ble High Court of Bombay to quash the case filed against the Company in the Metropolitan Magistrate Court.

The Hon'ble High Court of Bombay vide its Order dated 03rd March, 2015, has allowed the Writ Petition filed by the Company and has quashed the proceedings pending against the Company and its Directors.

- 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 behaviour. No person has been denied access to the chairman of the Audit Committee.
- d. The Company has complied with all mandatory requirements as stated in Clause 49 of the Listing Agreement

L. Code of Conduct

The Company has adopted a 'Code of Conduct' for the Directors and Senior Management of the Company. Clause (II) (E) (3) of the revised Clause 49 of the Listing Agreement requires that the duties of Independent Directors as laid down under Schedule IV of the Companies Act, 2013 should be included in the Code of Conduct to Directors. 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 business in an ethical efficient and transparent manner so as to meet its obligations to its shareholders and all other stakeholders.

M. 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. The Company has revised and adopted a new Code in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the revised Code will be applicable from 15th May, 2015.

N. 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	26 th July, 2014	11.00 a.m.
	27 th July, 2013	11.00 a.m.
	28 th July, 2012	11.00 a.m.

B. Special Resolutions Passed

Whether Special Resolution passed at the last Annual General Meeting held on 26th July, 2014	No
Whether Special Resolution passed at the last Annual General Meeting held on 27th July, 2013	Yes
a) Consent of the Shareholders be and is hereby accorded to holding and continuing to hold and office or place of profit to Ms. Arati K. Naik, relative of Mr. Kamalaksha R. Naik - Executive Chairman of the Company and to increase limits in monthly remuneration payable to her upto ₹ 2,50,000/- from existing ₹ 50,000/- w.e.f 01st April, 2013 provided that the Board may from time to time determine the remuneration payable to Ms. Arati K. Naik subject to the limit of ₹ 2,50,000/- per month and also be authorized to change the designation/role which may be assigned to her	
Whether Special Resolutions passed at the Annual General Meeting held on 28th July, 2012	No
C. Details of Ordinary Resolutions passed through Postal Ballot during the year	Nil
D. Are proposed to be conducted through postal ballot	Nil
Brief Procedure for Postal Ballot	N.A.

O. Means of Communication

Quarterly Results	Published in Newspapers
Newspapers in which normally published	Financial Express, The Times of India (in English) and Gomantak (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	N. A.

P. General Shareholder Information

1. Annual General Meeting

Date : 14th August, 2015

Time : 11.00 a.m.

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

2. Financial Calender

Particulars	Date
First Quarter Results	On or before 14th August, 2015
Second Quarter Results	On or before 14th November, 2015
Third Quarter Results	On or before 14th February, 2016
Fourth Quarter Results	On or before 30th May, 2016

3. Dates of Book Closure

22nd July, 2015 to 29th July, 2015 (both days inclusive)

4. Dividend Payment Date

The Dividend payment will be made to all eligible shareholders on or after 17th August, 2015.

5. Listing on Stock Exchanges

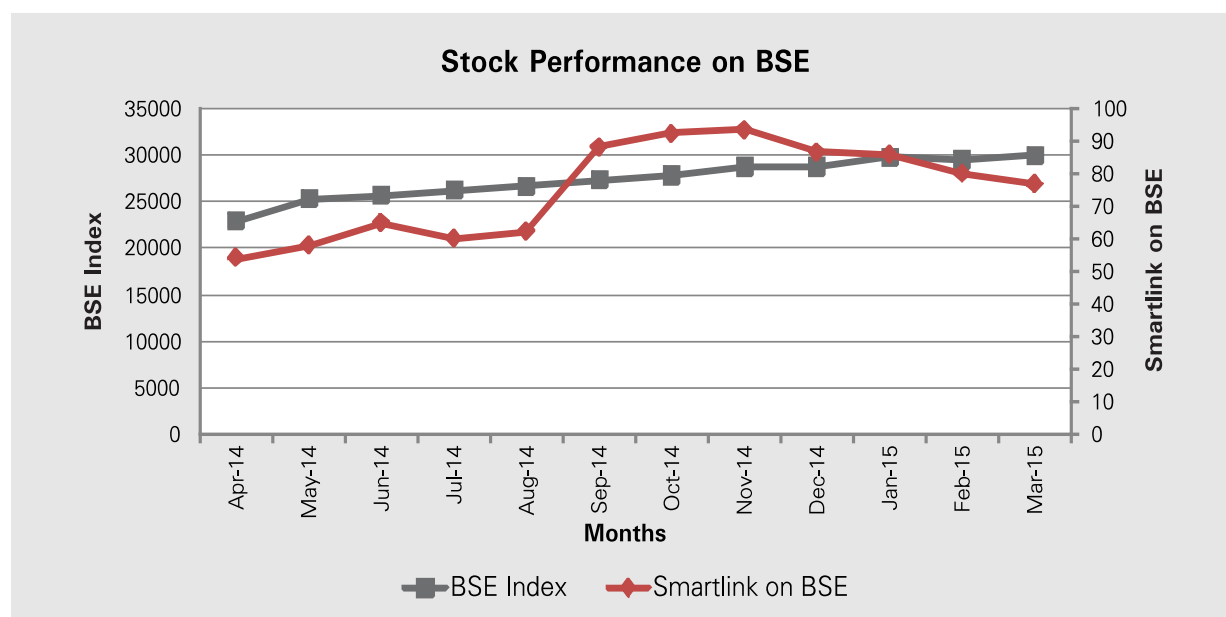
The shares of the Company are listed on following Stock Exchanges from 11th April, 2001. The listing fees for the financial year 2015-16 to both the Stock Exchanges have been paid.

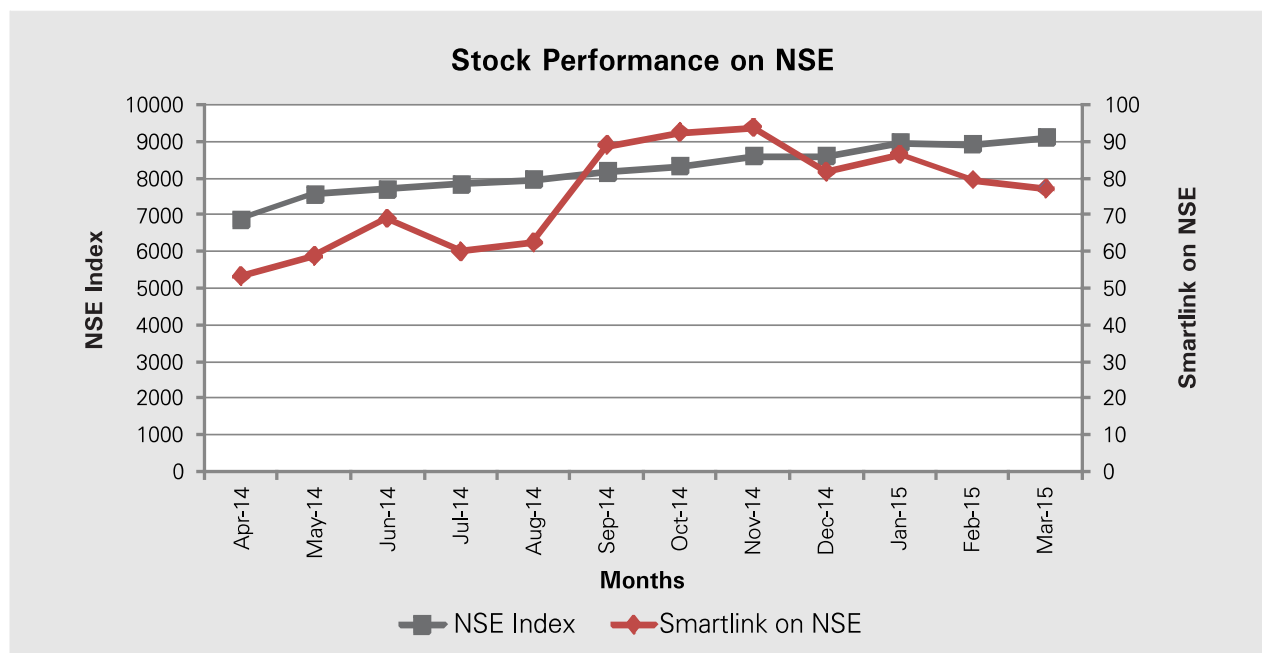
Name & Address of the Stock Exchanges	Stock Code/Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	532419	INE 178C01020
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai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

6. Market Price Data

Stock High/Low price during each month in the last financial year 2014-2015 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
Apr-14	54.00	43.05	22939.31	22197.51	53.30	44.15	6869.85	6650.40
May-14	58.00	45.05	25375.63	22277.04	58.75	45.65	7563.50	6638.55
Jun-14	65.00	52.00	25725.12	24270.20	69.00	52.05	7700.05	7239.50
Jul-14	60.00	50.00	26300.17	24892.00	60.00	51.00	7840.95	7422.15
Aug-14	62.40	52.10	26674.38	25232.82	62.40	46.70	7968.25	7540.10
Sep-14	88.40	55.25	27354.99	26220.49	88.85	55.35	8180.20	7841.80
Oct-14	92.40	66.70	27894.32	25910.77	92.40	66.00	8330.75	7723.85
Nov-14	93.60	70.00	28822.37	27739.56	93.70	70.20	8617.00	8290.25
Dec-14	86.75	65.45	28809.64	26469.42	81.60	66.70	8626.95	7961.35
Jan-15	86.00	75.60	29844.16	26776.12	86.40	76.60	8996.60	8065.45
Feb-15	80.00	63.70	29560.32	28044.49	79.50	69.00	8941.10	8470.50
Mar-15	76.85	58.60	30024.74	27248.45	77.00	58.95	9119.20	8269.15





7. Registrar and Share Transfer Agents

Karvy Computershare Private Limited
 Unit: Smartlink Network Systems Ltd.
 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: oinward.ris@karvy.com

8. 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.

9. Distribution of Shareholding

Distribution of Shareholding as on 31st March, 2015

Sr. No.	Category (Shares) From – To	Number of Shareholders	No. of Shares	% To Equity Capital
1	1 - 500	13,087	1,756,161	5.85
2	501 - 1000	955	793,626	2.64
3	1001 - 2000	437	670,808	2.24
4	2001 - 3000	153	396,359	1.32
5	3001 - 4000	48	172,443	0.57
6	4001 - 5000	60	287,620	0.96
7	5001 - 10000	84	641,903	2.14
8	10001 and above	91	25,285,930	84.28
	TOTAL	14,915	30,004,850	100.00

10.Shareholding Pattern as on 31st March, 2015

Sr. No.	Category of Shareholders	Total Holdings	Holdings in %
1	Shareholding of Promoter and Promoter Group	22,350,576	74.49
2	Financial Institutions / Banks / Trusts	13,080	0.04
3	Bodies Corporate	1,318,804	4.40
4	Individuals	6,060,606	20.20
5	Clearing Members	80,371	0.27
7	NRI's	181,413	0.60
	Total	30,004,850	100.00

11.Global depository receipts (GDR) or any Convertible instruments, conversion dates and likely impact on Equity

N.A

12.Dematerialization of Shares and Liquidity

The total number of shares in dematerialized form as on 31st March, 2015 is 29,983,134 representing 99.93% of the total number of shares of the Company.

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

13.Plant Location

L-5 & L-7, Verna Industrial Estate, Verna, Salcete, Goa – 403722

14.Address for Correspondence

Shareholders Correspondence should be addressed to:

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

Karvy Computershare Private Limited
Unit: Smartlink Network Systems 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
E-mail: einward.ris@karvy.com

For and on behalf of the Board

Mumbai
Dated: 13th May, 2015

K. R. NAIK
Executive Chairman
DIN: 00002013

CERTIFICATE ON COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT BY SMARTLINK NETWORK SYSTEMS LIMITED (Annexure - D)

To the members of **Smartlink Network Systems Limited:**

I have examined the compliance by SMARTLINK NETWORK SYSTEMS LIMITED ('the Company') of the requirements under Clause 49 of the Listing Agreement, entered into by the Company with the Stock Exchanges, for the year ended 31st March 2015.

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 Clause 49 of Listing Agreement.

The compliance of 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 Clause 49. 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 efficiency of effectiveness with which the management has conducted the affairs of the company.

Dr. K. R. Chandratre

Practising Company Secretary
FCS No. 1370
Certificate of Practice No. 5144

May 13, 2015

DECLARATION (Annexure - E)

I confirm that the Company has in respect of the financial year ended 31st March, 2015, received from all the members of the Senior Management of the Company and of the Board, a declaration of compliance with the code of conduct as provided under clause 49 of the Listing Agreement.

For Smartlink Network Systems Limited

Mumbai
Dated: 13th May, 2015

K. R. Naik
Executive Chairman
DIN: 00002013

FORM NO. MGT. 9

(Annexure - F)

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

[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	L30007GA1993PLC001341
Registration Date	31 st March, 1993
Name of the Company	Smartlink Network Systems Limited
Category/Sub-Category of the Company	Company limited by shares
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 Network Systems 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

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	Manufacturing and Trading of Networking Products	2610, 2620	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
	None	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held 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	22,350,576	0	22,350,576	74.49	22,350,576	0	22,350,576	74.49	0.00
Central Government /State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held 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) Nil	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(1)	22,350,576	0	22,350,576	74.49	22,350,576	0	22,350,576	74.49	0.00
Foreign									
Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00	0.00	0.00
Bodies Corporate	0	0	0	0.00	0.00	0	0.00	0.00	0.00
Institutions	0	0	0	0.00	0.00	0	0.00	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00	0.00	0.00
Any Others (Specify) Nil	0	0	0	0.00	0.00	0	0.00	0.00	0.00
Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A)=(A) (1)+(A)(2)	22,350,576	0	22,350,576	74.49	22,350,576	0	22,350,576	74.49	0.00
Public shareholding									
Institutions									
Mutual Funds/UTI	0	0	0	0.00	0.00	0	0	0	0.00
Financial Institutions/Banks	30	0	30	0.00	13,080	0	13,080	0.04	0.04
Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
Foreign Institutional Investors	0	0	0	0.00	0	0	0	0	0.00
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0	0.00

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Shares	Demat	Physical	Total	% of Shares	
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
Any Other (specify) Nil	0	0	0	0.00	0	0	0	0	0.00
Sub-Total (B)(1)	30	0	30	0.00	13,080	0	13,080	0.04	0.04
Non-institutions									
Bodies Corporate	1,165,374	0	1,165,374	3.88	1,318,804	0	1,318,804	4.40	0.52
Individuals									
Individuals -									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	4,640,864	22,216	4,663,080	15.54	5,362,706	21,716	5,384,422	17.95	2.41
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,583,197	0	1,583,197	5.28	676,184	0	676,184	2.25	3.03
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Any Other (specify)									
Trusts	2,000	0	2,000	0.01	0	0	0	0	0.01
Non Resident Indians	198,696	0	198,696	0.66	181,413	0	181,413	0.60	-0.06
Clearing Members	41,897	0	41,897	0.14	80,371	0	80,371	0.27	0.13
Sub-Total (B)(2)	7,632,028	22,216	7,654,244	25.51	7,619,478	21,716	7,641,194	25.47	0.04
Total Public Shareholding (B)=(B)(1)+(B)(2)	7,632,058	22,216	7,654,274	25.51	7,632,558	21,716	7,654,274	25.51	0.00
TOTAL (A)+(B)	29,982,634	22,216	30,004,850	100.00	29,983,134	21,716	30,004,850	100.00	0.00
Shares held by Custodians and against which Depository Receipts have been issued									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0.00
Public	0	0	0	0	0	0	0	0	0.00
Sub-Total (C)	0	0	0	0	0	0	0	0	0.00
GRAND TOTAL (A)+(B)+(C)	29,982,634	22,216	30,004,850	100.00	29,983,134	21,716	30,004,850	100.00	0.00

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	15,662,993	52.20	0.00	15,662,993	52.20	0.00	0.00
2	Ms. Arati Kamalaksha Naik	3,013,528	10.05	0.00	3,013,528	10.05	0.00	0.00
3	Mrs. Lakshana Amit Sharma	1,830,841	6.10	0.00	1,830,841	6.10	0.00	0.00
4	Mrs. Sudha Kamalaksha Naik	1,500,243	5.00	0.00	1,500,243	5.00	0.00	0.00
5	Kamalaksha Rama Naik (HUF)	342,971	1.14	0.00	342,971	1.14	0.00	0.00
	Total	22,350,576	74.49	0.00	22,350,576	74.49	0.00	0.00

iii) Change in Promoters' Shareholding (please specify, if there is no change)

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
At the beginning of the year	No change during the year			
Date wise Increase/Decrease in Promoters 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				

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	ZEN SECURITIES LTD	418982	1.40	01/04/2014	-	-	418982	1.40
				04/04/2014	15043	Transfer	434025	1.45
				04/04/2014	-1000	Transfer	433025	1.44
				11/04/2014	10759	Transfer	443784	1.48
				18/04/2014	10164	Transfer	453948	1.51
				25/04/2014	4103	Transfer	458051	1.53
				25/04/2014	-229	Transfer	457822	1.53
				02/05/2014	11036	Transfer	468858	1.56
				02/05/2014	-4371	Transfer	464487	1.55
				09/05/2014	152	Transfer	464639	1.55
				09/05/2014	-8115	Transfer	456524	1.52
				16/05/2014	7002	Transfer	463526	1.54
				16/05/2014	-1940	Transfer	461586	1.54
				23/05/2014	69823	Transfer	531409	1.77
				30/05/2014	52163	Transfer	583572	1.94

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				30/05/2014	-50	Transfer	583522	1.94
				06/06/2014	8366	Transfer	591888	1.97
				06/06/2014	-2510	Transfer	589378	1.96
				13/06/2014	3069	Transfer	592447	1.97
				13/06/2014	-4421	Transfer	588026	1.96
				20/06/2014	-14107	Transfer	573919	1.91
				30/06/2014	5000	Transfer	578919	1.93
				30/06/2014	-65605	Transfer	513314	1.71
				04/07/2014	17351	Transfer	530665	1.77
				11/07/2014	12321	Transfer	542986	1.81
				18/07/2014	-7527	Transfer	535459	1.78
				25/07/2014	13050	Transfer	548509	1.83
				01/08/2014	8559	Transfer	557068	1.86
				08/08/2014	12982	Transfer	570050	1.90
				08/08/2014	-15897	Transfer	554153	1.85
				15/08/2014	29319	Transfer	583472	1.94
				15/08/2014	-301	Transfer	583171	1.94
				22/08/2014	16530	Transfer	599701	2.00
				29/08/2014	27144	Transfer	626845	2.09
				29/08/2014	-2675	Transfer	624170	2.08
				05/09/2014	67379	Transfer	691549	2.30
				05/09/2014	-50153	Transfer	641396	2.14
				12/09/2014	-83840	Transfer	557556	1.86
				19/09/2014	250	Transfer	557806	1.86
				19/09/2014	-19795	Transfer	538011	1.79
				30/09/2014	1228	Transfer	539239	1.80
				30/09/2014	-4220	Transfer	535019	1.78
				03/10/2014	991	Transfer	536010	1.79
				03/10/2014	-505	Transfer	535505	1.78
				10/10/2014	1957	Transfer	537462	1.79
				10/10/2014	-2149	Transfer	535313	1.78
				17/10/2014	4850	Transfer	540163	1.80
				17/10/2014	-499	Transfer	539664	1.80
				24/10/2014	1688	Transfer	541352	1.80
				24/10/2014	-70	Transfer	541282	1.80
				31/10/2014	4907	Transfer	546189	1.82
				31/10/2014	-2990	Transfer	543199	1.81
				07/11/2014	7693	Transfer	550892	1.84
				07/11/2014	-2344	Transfer	548548	1.83
				14/11/2014	7663	Transfer	556211	1.85
				21/11/2014	770	Transfer	556981	1.86

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				21/11/2014	-8815	Transfer	548166	1.83
				28/11/2014	10410	Transfer	558576	1.86
				05/12/2014	21933	Transfer	580509	1.93
				05/12/2014	-947	Transfer	579562	1.93
				12/12/2014	13110	Transfer	592672	1.98
				19/12/2014	1856	Transfer	594528	1.98
				19/12/2014	-11399	Transfer	583129	1.94
				31/12/2014	7181	Transfer	590310	1.97
				31/12/2014	-27066	Transfer	563244	1.88
				02/01/2015	21465	Transfer	584709	1.95
				02/01/2015	-2780	Transfer	581929	1.94
				09/01/2015	45980	Transfer	627909	2.09
				09/01/2015	-3395	Transfer	624514	2.08
				16/01/2015	16947	Transfer	641461	2.14
				23/01/2015	38785	Transfer	680246	2.27
				30/01/2015	42748	Transfer	722994	2.41
				30/01/2015	-813	Transfer	722181	2.41
				06/02/2015	3192	Transfer	725373	2.42
				06/02/2015	-23145	Transfer	702228	2.34
				13/02/2015	4658	Transfer	706886	2.36
				13/02/2015	-4351	Transfer	702535	2.34
				20/02/2015	11323	Transfer	713858	2.38
				20/02/2015	-7544	Transfer	706314	2.35
				27/02/2015	4230	Transfer	710544	2.37
				27/02/2015	-11027	Transfer	699517	2.33
				06/03/2015	7328	Transfer	706845	2.36
				06/03/2015	-33797	Transfer	673048	2.24
				13/03/2015	-23270	Transfer	649778	2.17
				20/03/2015	1798	Transfer	651576	2.17
				20/03/2015	-4411	Transfer	647165	2.16
				27/03/2015	6779	Transfer	653944	2.18
				27/03/2015	-4846	Transfer	649098	2.16
				31/03/2015	9167	Transfer	658265	2.19
				31/03/2015	-2135	Transfer	656130	2.19
				31/03/2015	-	-	656130	2.19
2	KAILASH HARDATTRAJ BIYANI #	254990	0.85	01/04/2014	-	-	254990	0.85
				29/08/2014	-47499	Transfer	207491	0.69
				05/09/2014	-120264	Transfer	87227	0.29
				12/09/2014	-87227	Transfer	0	0.00
				31/03/2015	-	-	0	0.00
3	ASHISH DHAWAN #	194776	0.65	01/04/2014	-	-	194776	0.65
				23/01/2015	-139700	Transfer	55076	0.18

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				30/01/2015	-29226	Transfer	25850	0.09
				06/03/2015	-25850	Transfer	0	0.00
				31/03/2015	-	-	0	0.00
4	VIKABH SECURITIES PVT. LTD #	150000	0.50	01/04/2014	-	-	150000	0.50
				25/04/2014	-4503	Transfer	145497	0.48
				23/05/2014	-62997	Transfer	82500	0.27
				30/05/2014	-6000	Transfer	76500	0.25
				06/06/2014	-14500	Transfer	62000	0.21
				13/06/2014	-62000	Transfer	0	0.00
				31/03/2015	-	-	0	0.00
5	ANIL M NAIK #	140000	0.47	01/04/2014	-	-	140000	0.47
				20/06/2014	-26457	Transfer	113543	0.38
				30/06/2014	-32369	Transfer	81174	0.27
				04/07/2014	-5410	Transfer	75764	0.25
				11/07/2014	-58	Transfer	75706	0.25
				18/07/2014	-5137	Transfer	70569	0.24
				25/07/2014	-3088	Transfer	67481	0.22
				15/08/2014	-14188	Transfer	53293	0.18
				22/08/2014	-53293	Transfer	0	0.00
				31/03/2015	-	-	0	0.00
6	NEELES VIVEKANAND WAGLE	125000	0.42	01/04/2014	-	-	125000	0.42
				31/03/2015	-	-	125000	0.42
7	KIMI BUSINESS INVESTMENTS ADVISORS LLP *	0	0.00	01/04/2014	-	-	0	0.00
				09/05/2014	8021	Transfer	8021	0.03
				16/05/2014	6241	Transfer	14262	0.05
				13/06/2014	9130	Transfer	23392	0.08
				20/06/2014	90758	Transfer	114150	0.38
				11/07/2014	2750	Transfer	116900	0.39
				18/07/2014	2505	Transfer	119405	0.40
				08/08/2014	2150	Transfer	121555	0.41
				31/03/2015	-	-	121555	0.41
8	INDRANIL MUKHERJEE #	119256	0.40	01/04/2014	-	-	119256	0.40
				30/06/2014	-6681	Transfer	112575	0.38
				04/07/2014	-575	Transfer	112000	0.37
				25/07/2014	-10300	Transfer	101700	0.34
				22/08/2014	-1100	Transfer	100600	0.34
				05/09/2014	-16100	Transfer	84500	0.28
				19/09/2014	-2058	Transfer	82442	0.27
				30/09/2014	-7141	Transfer	75301	0.25
				10/10/2014	-13301	Transfer	62000	0.21
				17/10/2014	-500	Transfer	61500	0.20

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				14/11/2014	-5050	Transfer	56450	0.19
				21/11/2014	-450	Transfer	56000	0.19
				05/12/2014	-16000	Transfer	40000	0.13
				09/01/2015	-500	Transfer	39500	0.13
				16/01/2015	-500	Transfer	39000	0.13
				23/01/2015	-14837	Transfer	24163	0.08
				30/01/2015	-11511	Transfer	12652	0.04
				13/02/2015	-152	Transfer	12500	0.04
				31/03/2015	-	-	12500	0.04
9	SHRADDHA ANIL NAIK #	103900	0.35	01/04/2014	-	-	103900	0.35
				05/09/2014	-103900	Transfer	0	0.00
				31/03/2015	-	-	0	0.00
10	K.SATISH	100000	0.33	01/04/2014	-	-	100000	0.33
				31/03/2015	-	-	100000	0.33
11	SUYASH OUTSOURCING PVT LTD	100000	0.33	01/04/2014	-	-	100000	0.33
				31/03/2015	-	-	100000	0.33
12	SHASHI KANT GOYAL *	90100	0.30	01/04/2014	-	-	90100	0.30
				17/10/2014	-5000	Transfer	85100	0.28
				07/11/2014	-500	Transfer	84600	0.28
				14/11/2014	-2500	Transfer	82100	0.27
				31/03/2015	-	-	82100	0.27
13	KRISHNARAJ VENKATARAMAN *	81047	0.27	01/04/2014	-	-	81047	0.27
				31/03/2015	-	-	81047	0.27
14	ASHOK KUMAR GUPTA *	41575	0.14	01/04/2014	-	-	41575	0.14
				04/04/2014	47000	Transfer	88575	0.30
				05/09/2014	-5000	Transfer	83575	0.28
				17/10/2014	-4000	Transfer	79575	0.27
				07/11/2014	-5000	Transfer	74575	0.25
				31/03/2015	-	-	74575	0.25
15	GAURAV SUD *	0	0.00	01/04/2014	-	-	0	0.00
				11/07/2014	34000	Transfer	34000	0.11
				25/07/2014	20500	Transfer	54500	0.18
				31/03/2015	-	-	54500	0.18
16	JENN WEI YANG *	50000	0.17	01/04/2014	-	-	50000	0.17
				31/03/2015	-	-	50000	0.17

*Not in the list of top 10 shareholders as on 01.04.2014. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2015.

Ceased to be in the list of the top 10 shareholders as on 31.03.2015. The same is reflected above since the shareholder was one of the top 10 shareholders as on 01.04.2014

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 at the end of 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	15,662,993	52.20	15,662,993	52.20
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change during the year			
	At the end of the year	15,662,993	52.20	15,662,993	52.20
2.	Ms. Arati Naik, Whole Time Director				
	At the beginning of the year	3,013,528	10.05	3,013,528	10.05
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change during the year			
	At the end of the year	3,013,528	10.05	3,013,528	10.05
3.	Mr. Krishnanand Gaonkar, Non-Executive and Independent				
	At the beginning of the year	68,962	0.22	68,962	0.22
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change during the year			
	At the end of the year	68,962	0.22	68,962	0.22
4.	Mr. Jangoo Dalal, Non-Executive Director				
	At the beginning of the year	60,000	0.19	60,000	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)	No Change during the year			
	At the end of the year	60,000	0.19	60,000	0.19
5.	Mr. Pradeep Rane, 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				

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. Pankaj Baliga, Non-Executive and Independent				
	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. Bhanubhai Patel, Non-Executive and Independent				
	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.	Mr. Pradeep Pande, Non-Executive and Independent				
	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				
9.	Mr. Bhushan Prabhu, Chief Financial Officer (Appointed as KMP w.e.f. 01 st April, 2014)				
	At thebeginning of the year	12,437	0.04	12,437	0.04
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change during the year			
	At the end of the year	12,437	0.04	12,437	0.04
10.	Ms. Urjita Damle, Company Secretary (Appointed as KMP w.e.f. 02 nd May, 2014)				
	At thebeginning 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

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (in lakh)
		Mr. K. R. Naik, Executive Chairman	Ms. Arati Naik, Whole Time Director*	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	14.35	14.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify...			
5.	Others, please specify	Nil	Nil	Nil
	Total (A)	Nil	14.35	14.35
	Ceiling as per the Act			139.16

* Appointed as an Additional and Whole Time Director of the Company w.e.f. 09th September, 2014.

ii. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount in Lakh
INDEPENDENT DIRECTORS							
		Mr. K. M. Gaonkar	Mr. Pankaj Baliga	Mr. Bhanubhai Patel *	Mr. Pradeep Pande **	Mr. Dattaraj Salgaoncar ***	
-	Fee for attending board/committee meetings	6.10	4.55	2.00	0.50	-	13.15
-	Commission	-	-	-	-	-	-
-	Others, please specify	-	-	-	-	-	-
	Total (1)	6.10	4.55	2.00	0.50	-	13.15
OTHER NON-EXECUTIVE DIRECTORS							
		Mr. Jangoo Dalal	Mr. Pradeep Rane	-	-	-	
-	Fee for attending board committee meetings	4.20	5.05	-	-	-	9.25
-	Commission	-	-	-	-	-	-
-	Others, please specify	-	-	-	-	-	-
	Total (2)	4.20	5.05	-	-	-	9.25
	Total (B) = (1 + 2)	10.03	9.60	2.00	0.50	-	22.40
Total Managerial Remuneration							14.35
Overall Ceiling as per the Act							139.16

* Appointed as an Additional Director of the Company w.e.f. 09th September, 2014** Appointed as an Additional Director of the Company w.e.f. 05th January, 2015*** Ceased to be a Director of the Company w.e.f. 26th July, 2014

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Bhushan Prabhu	Ms. Urjita Damle*	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	46.75	6.24	52.99
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	0.07	0.07
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	46.75	6.31	53.06

* Appointed as Company Secretary & KMP w.e.f. 02nd May, 2014

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

None

STATEMENT OF PARTICULARS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(Annexure - G)

- 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	Ratio of the remuneration to the median remuneration of the employees	Percentage increase in remuneration
1	Mr. K. R. Naik (Executive Director & Promoter)	Nil	Nil
2	Mr. K. M. Gaonkar (Non-Executive and Independent)	Nil	Nil
3	Mr. Pradeep Rane (Non-Executive Director)	Nil	Nil
4	Mr. Pankaj Baliga (Non-Executive and Independent)	Nil	Nil
5	Mr. Jangoo Dalal (Non-Executive Director)	Nil	Nil
6	Ms. Arati Naik (Executive Director & Promoter)*	N.A.	N.A.
7	Mr. Bhanubhai Patel (Non-Executive and Independent)**	Nil	Nil
8	Mr. Pradeep Pande (Non-Executive and Independent)***	Nil	Nil
9	Mr. Dattaraj Salgaonkar (Non-Executive and Independent)****	Nil	Nil
10	Mr. Bhushan Prabhu (Chief Financial Officer)	N.A.	-21%
11	Ms. Urjita Damle (Company Secretary)*****	N.A.	N.A.

*Appointed as an Additional Director and Whole Time Director designated as Chief Operating Officer w.e.f. 09th September, 2014.

Ratio is not provided as she was appointed for the part of the year

**Appointed as an Additional Director of the Company w.e.f. 09th September, 2014

***Appointed as an Additional Director of the Company w.e.f. 05th January, 2015

**** Ceased to be a Director of the Company w.e.f. 26th July, 2014

***** Appointed as Company Secretary of the Company w.e.f. 02nd May, 2014

Notes:

- Mr. K. M. Gaonkar, Mr. Pradeep Rane, Mr. Pankaj Baliga, Mr. Jangoo Dalal, Mr. Bhanubhai Patel and Mr. Pradeep Pande were paid sitting fees for attending the Meetings.
- There was no remuneration paid to Mr. K. R. Naik, Executive Chairman during the Financial year ended 31st March, 2015 as well as the previous financial year.

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

12%

- IV. The number of permanent employees on the rolls of company as on 31st March, 2015.

348

- V. The explanation on the relationship between average increase in remuneration and company performance;
The increase in remuneration to all employees is in line with the performance of the Company. The Company's performance for the year 2014-15 with regard to the profitability compares favourably with the increase in remuneration.

- VI. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

(₹ in Lakhs)

Key Managerial Personnel	March 2014	March 2015	Increase/Decrease	Performance of company
Total Remuneration paid to KMP	₹ 58.60	₹ 46.75	-21%	The Profit after Tax for the year ending 31st March, 2015 was ₹ 1320.60 as against loss of ₹ (209.30) for the year ending 31st March, 2014

VII. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.

Sr. No.	Particular	As at 31 st March, 2015		As at 31 st March, 2014	
1	Market Capitalisation	BSE	₹ 189,63,06,520	BSE	₹ 130,10,10,296
		NSE	₹ 190,35,07,684	NSE	₹ 133,43,15,679
2	Price Earning Ratio	BSE	14.36	BSE	N.A.
		NSE	14.42	NSE	N.A.

Increase or decrease in the market quotations of shares is not provided since the Company had come with the last public offer in 2001 and the Company has gone through a Scheme of Demerger in 2009.

As on 31st March, 2015 the Market Quotation of the Company Share Price (Closing Price) is as follows:

- BSE Limited: ₹ 62.45
- The National Stock Exchange of India Limited: ₹ 61.55

VIII. 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;

Managerial Remuneration is not comparable as there was no increase in the remuneration paid to the Key Managerial Personnel.

Average percentile increase in the salaries of other than the Managerial Personnel is 9%.

IX. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;

(₹ in Lakhs)

Key Managerial Personnel	Name	March 2014	March 2015	Increase	Performance of company
Executive Chairman	Mr. K. R. Naik	Nil	Nil	0%	The Profit after Tax for the year ending 31 st March, 2015 was ₹ 1320.68 as against loss of ₹ (209.30) for the year ending 31 st March, 2014
Chief Financial Officer	Mr. Bhushan Prabhu	₹ 58.60	₹ 46.75	-21%	
Company Secretary	Ujjita Damle*	N.A.	₹ 6.31	Refer Note 1	

Note 1: Remuneration is not comparable since appointed as Company Secretary & KMP w.e.f. 02nd May, 2014.

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

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

XI. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

The ratio is not provided since the Whole Time director was appointed only from 09th September, 2014.

XII. 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 of the Company.

XIII. The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is not provided since there were no employees who were drawing remuneration more than ₹ 5 lakhs per month during whole or part of the year.

Independent Auditors' Report

TO THE MEMBERS OF SMARTLINK NETWORK SYSTEMS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SMARTLINK NETWORK SYSTEMS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 of these 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 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 financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2015, 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 2015 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement of matters specified in paragraphs 3 and 4 of the Order.
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 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 to the financial statements;
 - ii. The Company does not have any long-term contract including derivative contract for which provision would be required for material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration no: 117366W/W-100018)

A. Siddharth

Partner

Membership no: 31467

Mumbai, 13th May, 2015

Annexure to the Auditors' Report

Re: Smartlink Network Systems Limited

(referred to in paragraph (1) under Report on Other Legal and Regulatory Requirements section of our report of even date)

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - Some of the fixed assets were physically verified by the Management during the year in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventory:
- As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013 and hence sub clauses (a) and (b) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in the aforesaid internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, and the books and records examined by us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable except as under.

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates
Income Tax Act, 1961	Income Tax	65,934	FY 2009-2010

Annexure to the Auditors' Report

- (c) There were no disputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015. Details of dues of Customs Duty and Excise Duty which have not been deposited as on 31st March, 2015 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Financial Year to which amount relates	Amount (₹)
Customs Act, 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2004-2005	1,514,221/- (Net of Rs. 900,000/- of pre-deposit)
Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2004-2005	3,226,176/- (Net of Rs. 1,400,000/- of pre-deposit)
Central Excise Act, 1944	Penalty (Excise Duty)	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2004-2005	4,626,176/-
Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2001-2002 2002-2003 2003-2004 2004-2005	24,089,496/- (Net of Rs. 10,000,000/- of pre-deposit)
Central Excise Act, 1944	Penalty (Excise Duty)	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2001-2002 2002-2003 2003-2004 2004-2005	34,089,496/-
Central Excise Act, 1944	Penalty (Excise Duty)	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2004-2005	100,000/-
Central Excise Act, 1944	Penalty (Excise Duty)	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2004-2005	702,041/-
Central Excise Act, 1944	Penalty (Excise Duty)	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2007-2008	362,961/-

- (d) The Company has transferred the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within the prescribed time.
- (viii) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the year and the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. There are no dues to financial institutions and the Company has not issued debentures.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by Others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the Company does not have any term loan and hence the question of commenting on the application thereof does not arise.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration no: 117366W/VV-100018)

A. Siddharth

Partner

Membership no: 31467

Mumbai, 13th May, 2015

Balance Sheet as at 31st March, 2015

Particulars	Note No.	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	60,009,700	60,009,700
(b) Employee stock options	36 h	13,715,716	13,715,716
(c) Reserves and surplus	4	4,046,656,767	3,988,167,958
		4,120,382,183	4,061,893,374
(2) Non-current liabilities			
(a) Other long term liabilities	5	1,626,849	1,160,946
(b) Long-term provisions	6	4,335,067	6,254,774
		5,961,916	7,415,720
(3) Current liabilities			
(a) Trade payables	7	80,633,028	174,058,311
(b) Other current liabilities	8	22,204,499	24,073,403
(c) Short-term provisions	9	79,665,836	73,429,016
		182,503,363	271,560,730
Total		4,308,847,462	4,340,869,824
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10 a	228,689,731	260,266,514
(ii) Intangible assets	10 b	3,545,287	4,223,542
(iii) Capital work-in-progress	10 c	-	3,513,432
		232,235,018	268,003,488
(b) Non-current investments	11	-	-
(c) Deferred tax assets (net)	31	19,562,964	-
(d) Long-term loans and advances	12	54,087,563	94,286,881
		305,885,545	362,290,369
(2) Current assets			
(a) Current investments	13	3,179,844,196	2,828,195,184
(b) Inventories	14	134,398,938	275,097,757
(c) Trade receivables	15	87,585,860	291,743,440
(d) Cash and cash equivalents	16	521,665,305	501,384,008
(e) Short-term loans and advances	17	45,871,812	53,052,794
(f) Other current assets	18	33,595,806	29,106,272
		4,002,961,917	3,978,579,455
Total		4,308,847,462	4,340,869,824

See accompanying notes forming part of the Financial Statements 1-36

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. Siddharth
Partner

Mumbai, dated: 13th May, 2015

For and on behalf of the Board

K. R. Naik
Executive Chairman
DIN: 00002013

Urjita Damle
Company Secretary

Mumbai, dated: 13th May, 2015

Pankaj Baliga
Director
DIN: 00002864

Bhushan Prabhu
Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No.	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
I Revenue from operations (gross)	19	928,798,521	1,543,153,389
Less: Excise duty		19,578,403	44,697,966
Revenue from operations (net)		909,220,118	1,498,455,423
II Other income	20	413,738,618	233,963,571
III Total Revenue (I + II)		1,322,958,736	1,732,418,994
IV Expenses:			
Cost of raw materials consumed	34	175,170,905	294,232,554
Purchases of traded goods	35	427,575,985	1,017,380,746
Decrease / (Increase) in inventories of finished goods, work-in-progress and traded goods	21	141,099,843	(95,393,416)
Employee benefits expense	22	219,508,470	244,008,607
Finance costs	23	37,610	130,241
Depreciation and amortisation expense	10 d	32,685,002	36,953,349
Other expenses	24	192,067,589	294,508,455
Total Expenses		1,188,145,404	1,791,820,536
V Profit / (loss) before tax (III - IV)		134,813,332	(59,401,542)
VI Tax Expenses			
- Current tax		21,500,000	-
- Excess provision for earlier years		-	(38,471,263)
- Deferred tax	31	(18,754,212)	-
		2,745,788	(38,471,263)
VII Profit / (loss) for the year (V-VI)		132,067,544	(20,930,279)
VIII Earnings per equity share (Face value of ₹ 2/- per share)			
Basic and Diluted	30	4.40	(0.70)
See accompanying notes forming part of the Financial Statements		1-36	

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. Siddharth
Partner

Mumbai, dated: 13th May, 2015

For and on behalf of the Board

K. R. Naik
Executive Chairman
DIN: 00002013

Urjita Damle
Company Secretary

Mumbai, dated: 13th May, 2015

Pankaj Baliga
Director
DIN: 00002864

Bhushan Prabhu
Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2015

	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
A. Cash flows from operating activities		
Profit / (Loss) before tax	134,813,332	(59,401,542)
Adjustments for:		
Depreciation and amortisation	32,685,002	36,953,349
(Profit) on sale of fixed assets (net)	(265,667)	(249,190)
(Profit) on sale of current investment (non-trade) (net)	(298,648,457)	(148,206,717)
Excess of cost over fair value of current investments (non-trade) (net)	(31,478,076)	32,612,509
Provision for doubtful debts and advances (net)	674,552	10,122,596
Bad debts written off	99,669	356,054
Sundry balances written off	115,519	705,977
Unrealised exchange differences	(417,020)	(665,621)
Provision for Leave encashment (net)	404,628	104,573
Provision for Gratuity / (written back) (net)	2,112,724	(859,416)
Sundry balances written back	(715,304)	(2,288,983)
Provision for wealth tax	108,390	141,150
Interest and finance charges	37,610	130,241
Interest income	(72,113,104)	(76,073,229)
Dividend income	(366,233)	(521,905)
Operating (loss) before working capital changes	(232,952,435)	(207,140,154)
Decrease / (Increase) in trade receivables	203,426,864	(53,245,504)
Decrease / (Increase) in inventories	140,698,819	(115,594,757)
Decrease in loans and advances	10,347,385	12,415,730
(Decrease) in trade and other payables	(90,507,928)	(32,920,028)
Cash generated from / (used in) operations	31,012,705	(396,484,713)
Direct taxes refunded / (paid) (net)	15,329,976	(4,330,778)
Net cash generated from / (used in) operating activities	46,342,681	(400,815,491)
B. Cash flows from investing activities		
Purchase of fixed assets (Refer note 2)	(4,020,999)	(8,328,979)
Sale of fixed assets	1,477,325	741,434
Purchase of current investments	(20,865,383,275)	(12,551,207,359)
Sale of current investments	20,843,860,796	12,546,105,303
Bank balances not considered as Cash and cash equivalents		
Placed	(442,780,395)	(469,526,406)
Matured	404,801,857	830,129,828
Dividend received	366,233	521,905
Interest received	67,623,570	123,158,912
Net cash from investing activities	5,945,112	471,594,638
C. Cash flows from financing activities		
Dividend paid	(70,013,840)	(70,224,299)
Interest paid	(37,610)	(130,241)
Net cash (used in) financing activities	(70,051,450)	(70,354,540)
Net (Decrease) / Increase in cash and cash equivalents	(17,763,657)	424,607
Cash and cash equivalents at the beginning of the year	28,146,493	27,657,573
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents.	66,416	64,313
Cash and cash equivalents at the end of the year (Refer note 3)	10,449,252	28,146,493
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 cash equivalents :		
Cash and cash equivalents (Refer note 16)	521,665,305	501,384,008
Less : Bank balances not considered as Cash and cash equivalents as defined in Accounting Standard (AS) 3 on 'Cash Flow Statements'		
In deposits accounts		
Original maturity more than 3 months	298,225,962	341,380,571
In earmarked accounts :		
Unpaid dividend accounts	2,081,251	1,886,742
Deposits held as security against letters of credit	209,094,472	128,145,834
Deposits held as margin money	1,814,368	1,824,368
Net Cash and cash equivalents as defined in AS3 on 'Cash Flow Statements'	10,449,252	28,146,493

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. Siddharth
Partner

Mumbai, dated: 13th May, 2015

For and on behalf of the Board

K. R. Naik
Executive Chairman
DIN: 00002013

Urjita Damle
Company Secretary

Mumbai, dated: 13th May, 2015

Pankaj Baliga
Director
DIN: 00002864

Bhushan Prabhu
Chief Financial Officer

Notes forming part of the financial statements

NOTE 1 : BACKGROUND OF THE COMPANY

Smartlink Network Systems Limited ("Company") was originally incorporated on 31st March, 1993. The Company is in the business of developing, manufacturing, marketing, distributing and servicing of networking products.

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. 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) 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.

(d) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets 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 Machinery	- 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	- 3 years

(e) Revenue recognition

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.

Dividend income is accounted for when the right to receive the same is established.

(f) Fixed assets

i) Tangible assets

Tangible fixed assets 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.

(g) 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.

Notes forming part of the financial statements

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.

(h) 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.

(i) 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.

(j) Employee Benefits

- i. Provident fund liability is determined on the basis of contribution as required under the statute / rules and when services are rendered by the employees.
- ii. The Smartlink Group Gratuity Trust has taken a Group Gratuity cum Life Assurance policy from the Life Insurance Corporation of India (LIC).

Provision is made in respect of difference between the actuarially determined gratuity liability and the fund available with LIC at the year-end.

- iii. Provision for Leave encashment is made on actuarial valuation done as at the year-end.

(k) 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.

(l) 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.

(m) 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 31 below).

(n) 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.

(o) 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, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 3 : SHARE CAPITAL		
Authorised		
35,000,000 Equity Shares of ₹ 2/- each	70,000,000	70,000,000
Issued, subscribed and paid-up		
30,004,850 Equity Shares of ₹ 2/- each, fully paid-up	60,009,700	60,009,700
Total	60,009,700	60,009,700

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

	As at 31 st March, 2015		As at 31 st March, 2014	
	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	15,662,993	52.20%	15,662,993	52.20%
Ms. Aarti K. Naik	3,013,528	10.05%	3,013,528	10.05%
Mrs. Lakshana A. Sharma	1,830,841	6.10%	1,830,841	6.10%
Mrs. Sudha K. Naik	1,500,243	5.00%	1,500,243	5.00%

	₹	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 4 : RESERVES AND SURPLUS			
Capital Reserve			
State Government subsidy		2,500,000	2,500,000
As per last Balance sheet			
Securities Premium Account			
As per last Balance sheet		278,614,693	278,614,693
Revaluation Reserve			
As per last Balance sheet	37,183,524		37,952,752
Less : Utilised for set off against depreciation (Refer Note 10 d)	-		769,228
		37,183,524	37,183,524
General Reserve			
As per last Balance sheet		556,720,271	556,720,271
Surplus in Statement of Profit and Loss			
As per last Balance sheet	3,113,149,470		3,204,288,098
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax ₹ 808,752/-) (Refer Note 36 g)	1,570,625		-
Add : Profit / (loss) for the year	132,067,544		(20,930,279)
Less : Appropriations			
Proposed dividend (Amount per Equity share ₹ 2/- (Previous year ₹ 2/-))	60,009,700		60,009,700
Dividend distribution tax	11,998,410		10,198,649
Closing balance		3,171,638,279	3,113,149,470
Total		4,046,656,767	3,988,167,958

Notes forming part of the financial statements

	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 5 : OTHER LONG-TERM LIABILITIES		
Other payables		
Security deposits	1,583,351	957,136
Unearned revenue	43,498	203,810
Total	1,626,849	1,160,946
NOTE 6 : LONG-TERM PROVISIONS		
Provision for employee benefits		
For Gratuity (Refer note 28)	1,286,681	3,673,957
For Leave encashment	3,048,386	2,580,817
Total	4,335,067	6,254,774
NOTE 7 : TRADE PAYABLES		
Outstanding dues of micro enterprises and small enterprises (Refer note no. 33)	334,503	420,760
Other trade payables	80,298,525	173,637,551
Total	80,633,028	174,058,311
NOTE 8 : OTHER CURRENT LIABILITIES		
Capital creditors	-	3,513,432
Unearned revenue	265,813	1,113,908
Unpaid dividends	2,081,251	1,886,742
Forward cover MTM	9,000	-
Temporary overdrawn bank balance as per books	2,119,873	502,951
Other payables :		
Statutory dues	12,175,535	12,104,868
Security deposits	3,233,852	3,054,386
Interest accrued on trade payables (Refer Note 33)	2,645	28,085
Advance from customers	2,316,530	1,869,031
Total	22,204,499	24,073,403
NOTE 9 : SHORT-TERM PROVISIONS		
Provision for employee benefits		
For Gratuity (Refer note 28)	4,500,000	-
For Leave encashment	1,513,778	1,576,719
Others		
For Income-tax (net of advance tax ₹105,349,738/-, Previous year ₹105,349,738/-)	1,643,948	1,643,948
Proposed dividend	60,009,700	60,009,700
Corporate dividend tax on proposed dividend	11,998,410	10,198,649
Total	79,665,836	73,429,016

Notes forming part of the financial statements

NOTE 10 : FIXED ASSETS

Nature of assets		Gross block				Depreciation		Net block		
		As at 1st April, 2014	Additions	Deductions	As at 31st March, 2015	Upto 31st March, 2014	For the year	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	As at 31st March, 2015	As at 31st March, 2015
a	Tangible assets :-									
	Land									
	Freehold	8,791,000 (8,791,000)	-	-	8,791,000 (8,791,000)	8,791,000 (8,791,000)	-	-	-	8,791,000 (8,791,000)
	Leasehold	9,278,538 (9,278,538)	-	-	9,278,538 (9,278,538)	1,383,303 (1,283,397)	99,906 (99,906)	-	-	1,483,209 (1,383,303)
	Buildings									
	Own use	268,676,525 (268,676,525)	-	(3,752,200)	272,428,725 (268,676,525)	71,896,610 (65,725,946)	6,126,125 (6,170,664)	(1,449,573)	(845,797)	80,318,105 (71,896,610)
	Given under operating lease	3,752,200 (3,752,200)	-	3,752,200	-	1,324,250 (1,198,927)	125,323 (125,323)	1,449,573	-	-
	Plant and machinery	156,734,083 (153,314,427)	9,245 (3,419,656)	15,675	156,727,653 (156,734,083)	143,997,731 (132,913,866)	5,726,576 (11,083,865)	15,675	-	149,708,632 (143,997,731)
	Furniture and fixture	30,251,115 (30,193,502)	-	361,496	29,889,619 (30,251,115)	25,670,245 (23,720,324)	1,646,297 (1,949,921)	259,811	-	27,086,731 (25,670,245)
	Vehicles	23,102,847 (22,633,816)	565,313 (3,951,318)	11,514,578 (3,482,287)	12,153,582 (23,102,847)	15,722,796 (14,845,961)	3,056,626 (3,884,570)	10,404,605 (3,007,735)	-	8,374,817 (15,722,796)
b	Office equipment	16,002,514 (15,559,648)	63,714 (442,866)	979,413	15,086,815 (16,002,514)	12,960,193 (11,926,732)	804,663 (1,033,461)	979,413	(1,129,688)	13,915,131 (12,960,193)
	Others									
	Electrical installations	40,763,581 (40,763,581)	-	-	40,763,581 (40,763,581)	31,087,704 (28,560,331)	2,482,367 (2,527,373)	-	-	33,570,071 (31,087,704)
	Air conditioners	34,080,118 (33,915,430)	43,723 (205,988)	795,545 (41,300)	33,328,296 (34,080,118)	27,585,166 (25,801,009)	1,339,717 (1,807,765)	795,545 (23,608)	-	28,129,338 (27,585,166)
	Computers	161,963,815 (161,712,277)	204,484 (251,538)	123,467,164	38,701,135 (161,963,815)	152,710,824 (146,936,745)	7,464,627 (5,774,079)	123,467,164	(403,892)	37,112,179 (152,710,824)
	Tangible assets totals	753,396,336 (748,590,944)	886,479 (8,328,979)	137,133,871 (3,523,587)	617,148,944 (753,396,336)	493,129,822 (461,704,238)	28,872,227 (34,456,927)	135,922,213 (3,031,343)	(2,379,377)	388,459,213 (493,129,822)
	Intangible assets :-									
	Goodwill	27,898,105 (27,898,105)	-	-	27,898,105 (27,898,105)	27,898,105 (27,898,105)	-	-	-	27,898,105 (27,898,105)
	Computer software - acquired	46,568,154 (46,568,154)	3,134,520	9,017,586	40,685,088 (46,568,154)	42,344,612 (39,078,962)	3,812,775 (3,265,650)	9,017,586	-	37,139,801 (42,344,612)
	Intangible assets totals	74,466,259 (74,466,259)	3,134,520	9,017,586	68,583,193 (74,466,259)	70,242,717 (66,977,067)	3,812,775 (3,265,650)	9,017,586	-	65,037,906 (70,242,717)
c	Previous year	827,862,595 (823,057,203)	4,020,999 (8,328,979)	146,151,457 (3,523,587)	685,732,137 (827,862,595)	563,372,539 (528,681,305)	32,685,002 (37,722,577)	144,939,799 (3,031,343)	(2,379,377)	453,497,119 (563,372,539)
	Previous year									
Capital work-in-progress										
Depreciation and amortisation										
Particulars		Amount in ₹								
		For the year ended 31 st March, 2015	For the year ended 31 st March, 2014	Notes						
				1. Leasehold land / premises include: (i) 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 with an option to extend the lease to ninety / ninety-five years. (ii) 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 with an option to extend the lease to ninety-five years. for all deeds in respect of the above are in the names of GIDC and MIDC respectively. 2. Goodwill represents the difference between the net assets of erstwhile Virtual Computers Private Limited taken over pursuant to scheme of amalgamation and the cost of shares held by the Company in the erstwhile Virtual Computers Private Limited. 3. Building given on operating lease for a period of 12 months in previous year is regrouped under own use as lease period is completed. 4. The Company has revised the estimated useful lives of some of its fixed assets to align the useful lives with those specified in Schedule II. Refer note 36(i). 5. Figures in brackets are those of the previous year.						
Depreciation and amortisation for the year on tangible assets as per Note 10 a		28,872,227	34,456,927							
Depreciation and amortisation for the year on intangible assets as per Note 10 b		3,812,775	3,265,650							
Less : Utilised from revaluation reserve		-	769,228							
Depreciation and amortisation		32,685,002	36,953,349							

Notes

- 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 with an option to extend the lease to ninety / 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 with an option to extend the lease to ninety-five years.
- Title deeds in respect of the above are in the names of GIDC and MIDC respectively. Goodwill represents the difference between the net assets of erstwhile Virtual Computers Private Limited taken over pursuant to scheme of amalgamation and the cost of shares held by the Company in the erstwhile Virtual Computers Private Limited.
- Building given on operating lease for a period of 12 months in previous year is regrouped under own use as lease period is completed.
- The Company has revised the estimated useful lives of some of its fixed assets to align the useful lives with those specified in Schedule II. Refer note 36(g).
- Figures in brackets are those of the previous year.

Notes forming part of the financial statements

	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 11 : NON-CURRENT INVESTMENTS		
Investment in Equity Instruments (at cost) (Unquoted) (Trade)		
In Subsidiary Company, Wholly Owned		
Nil (previous year 12) Equity shares of AED 150,000 each fully paid-up in Smartlink Middle East FZE	-	22,791,754
Less : held as current at the year end	-	22,791,754
Total	-	-
Aggregate value of investments (net of provision)		
Unquoted - cost	-	-
Quoted - cost	-	-
- Market value	-	-
NOTE 12 : LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good (unless stated otherwise) :		
Security deposits	2,906,895	3,809,319
Prepaid expenses	-	374,599
Others :		
VAT / Service tax receivable	-	256,300
Advance payment of taxes (net of provision ₹ 21,500,000/-, (previous year ₹ Nil))	33,601,712	70,540,078
Customs duty receivable	5,278,956	7,006,585
Pre-deposit with Government authorities in connection with appeals filed (Refer note 25)	12,300,000	12,300,000
	54,087,563	94,286,881
Unsecured, considered doubtful :		
Security deposits	964,544	801,499
Less : Provision for doubtful deposits	964,544	801,499
	-	-
Total	54,087,563	94,286,881

Notes forming part of the financial statements

	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 13 : CURRENT INVESTMENTS		
Investment in Equity Instruments (at cost) (unquoted)		
In Subsidiary Company, Wholly Owned		
Nil (previous year 12) Equity shares of AED 150,000 each fully paid-up in Smartlink Middle East FZE	-	22,791,754
Less: Adjustment for excess of cost over fair value	-	1,784,091
	-	21,007,663
During the year, the liquidation of the Company's wholly owned subsidiary Smartlink Middle East FZE has been completed. ₹ 220,141/- being the excess of provision for diminution in respect of this investment over the loss on liquidation has been written back.		
Investments in Mutual Funds (unquoted)		
(At lower of cost and fair value)		
3,061,837.3570 (Previous year, 3,061,822.4800) units in ICICI Prudential Mutual Fund Income - Regular Plan-Growth	134,199,923	118,207,475
1,087,161.3490 (Previous year, NIL) units in ICICI Prudential Mutual Fund Regular Savings Fund - Regular Plan-Growth	15,000,000	-
8,015,991.4720 (Previous year, 8,015,966.9900) Units in Birla Sun Life Mutual Fund Dynamic Bond Fund Retail - Growth-Regular Plan	195,077,970	169,722,069
3,957,238.7440 (Previous year, 3,957,186.6400) Units in Birla Sun Life Mutual Fund Income Plus Growth-Regular Plan	248,219,383	219,706,259
4,693,726.9350 (Previous year, 4,693,491.9600) Units in Birla Sun Life Mutual Fund Dynamic Bond fund Retail - Growth - Direct Plan	115,245,077	99,778,476
3,378,372.1790 (Previous year, 2,265,301.1800) Units in Birla Sun Life Mutual Fund Short Term Opportunities Fund Growth - Regular Plan	72,804,596	46,521,131
7,872,383.1380 (Previous year, NIL) Units in Birla Sun Life Mutual Fund Medium Term Growth - Regular Plan	133,540,022	-
5,449,575.8047 (Previous year, 5,449,576.8100) Units in Kotak Mutual Fund Bond Scheme Plan A - Growth	210,392,152	191,836,549
NIL (Previous year, 756,135.4300) Units in Kotak Mutual Fund GILT Investments -Regular - Growth	-	32,249,630
881.0671 (Previous year, NIL) Units in Kotak Mutual Fund Liquid Schem Plan A -Direct Plan-Growth	2,500,000	-
15,430,348.1230 (Previous year, 12,033,708.8800) Units in Reliance Mutual Fund Dynamic Bond Fund - Growth	286,221,886	197,741,529
930,141.2920 (Previous year, 1,928,782.2700) Units in Reliance Mutual Fund Income Fund-Growth Plan-Growth	41,527,553	77,472,240
1,693,136.6640 (Previous year, NIL) Units in Reliance Mutual Fund Short Term Fund -Direct Growth Plan-Growth option	42,273,389	-
1,137,602.4130 (Previous year, NIL) Units in Reliance Mutual Fund Regular Savings Fund-Debt Plan-Direct - Growth	21,000,000	-
565,767.2510 (Previous year, NIL) Units in Reliance Mutual Fund Income Fund - Direct Growth Plan-Growth Option	24,788,611	-
8,901.6880 (Previous year, NIL) Units in Religare Invesco Mutual Fund Credit Opportunities Fund - Direct Plan-Growth	13,611,485	-

Notes forming part of the financial statements

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
13,717.6270 (Previous year, NIL) Units in Religare Invesco Mutual Fund Gilt Fund - Long Duration Plan - Growth	21,000,000	-
19,999.9980 (Previous year, 20,000.000) Units in Religare Invesco Mutual Fund Bank Debt Fund -Growth	22,768,318	21,902,306
NIL (Previous year, 35,189.4100) Units in Religare Mutual Fund Short Term Fund - Direct-Growth	-	60,270,943
NIL (Previous year,33,033.6000) Units in Religare Mutual Fund Active Income Fund - Direct - Growth	-	49,094,950
17,533.3500 (Previous year, 46,510.3700) Units in Franklin Templeton Mutual Fund India Short Term Income-Retail Plan-Growth	47,361,346	119,477,444
19,453.0060 (Previous year, 28,439.1000) Units in Franklin Templeton Mutual Fund India Short Term Income-Retail Plan-Direct -Growth	53,280,017	73,725,749
3,148,188.8060 (Previous year, 2,896,017.4400) Units in Franklin Templeton Mutual Fund Income Builder Account Plan A - Direct Growth	150,938,968	125,369,754
4,280,585.2390 (Previous year, NIL) Units in Franklin Templeton Mutual Fund Income Opportunities Fund - Growth	68,000,000	-
5,912,400.2050 (Previous year, NIL) Units in Franklin Templeton Mutual Fund Corporate Bond Opportunities Fund - Growth	82,296,472	-
5,280,846.8060 (Previous year,11,896,066.5860) Units in DWS Mutual Fund Gilt Fund - Regular - Growth	78,631,809	162,194,541
3,196,358.7120 (Previous year, 3,294,478.4400) Units in DWS Mutual Fund Short Maturity Fund - Direct Plan - Growth.	81,585,458	75,404,352
548,184.9620 (Previous year, 2,498,509.6100) Units in DWS Mutual Fund DWS Banking & PSU Debt Fund - Direct Plan - Growth	6,265,864	27,182,784
NIL (Previous year, 2,980,959.4900) Units in Baroda Pioneer Mutual Fund Dynamic Bond Fund Plan B - Growth	-	33,937,628
1,000,231.5630 (Previous year, NIL) Units in Baroda Pioneer Mutual Fund Credit Opportunities Fund - Plan B - Growth	10,002,316	-
5,543,394.2990 (Previous year, 4,283,128.3400) Units in HDFC Mutual Fund Short Term Plan - Growth	141,694,147	104,331,010
4,491,959.3930 (Previous year, NIL) Units in HDFC Mutual Fund Corporate Debt Opportunities Fund-Regular - Growth	50,000,000	-
NIL (Previous year, 4,589,700.9100) Units in SBI Mutual Fund Magnum Income Fund - Regular Plan-Growth	-	138,593,363
7,128,863.7380 (Previous year, 7,128,828.3700) Units in SBI Mutual Fund Dynamic Bond Fund-Regular Plan-Direct -Growth	123,667,251	110,253,728
15,086,489.3560 (Previous year, 14,432,361.9100) Units in IDFC Mutual Fund Dynamic Bond Fund-Growth-Direct Plan	259,558,523	212,717,325
687,307.9890 (Previous year, NIL) Units in IDFC Mutual Fund Arbitrage Plus Fund - Direct Plan - Dividend Payout	8,300,000	-
692,037.0770 (Previous year, NIL) Units in BNP Paribas Mutual Fund Medium Term Income Fund-Direct Plan-Growth	7,360,576	-
1,531,475.1180 (Previous year, 1,531,468.9300) Units in BNP Paribas Mutual Fund Flexi Debt Fund - Growth	33,737,937	32,203,422
2,599,334.9290 (Previous year, NIL) Units in BNP Paribas Mutual Fund Medium Term Income Fund-Growth	29,000,000	-

Notes forming part of the financial statements

	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
1,416,385.2970 (Previous year, NIL) Units in Axis Mutual fund Short Term Plan-Direct Plan-Growth Plan	20,604,724	-
NIL (Previous year, 7,613,482.0900) Units in Axis Mutual fund Constant Maturity 10 Year Fund-Direct Plan-Growth Plan	-	82,878,082
2,000,032.2770 (Previous year, 2,000,019.8000) Units in IDBI Mutual Fund Debt Opportunities fund - Direct Plan - Growth	21,258,143	20,199,200
3,838,938.2020 (Previous year, 759,422.5400) Units in L & T Mutual Fund Short Term Income Fund - Direct Plan - Growth	53,224,191	10,000,000
NIL (Previous year, 595,267.6220) Units in UTI Mutual Fund Banking & PSU Debt Fund - Regular Plan - Growth	-	6,000,000
399,119.6050 (Previous year, NIL) Units in UTI Mutual Fund Short Term Income Fund-Institutional Option - Growth	6,354,862	-
NIL (Previous year, 1,177,287.7640) Units in Sundaram Mutual Fund Flexible Fund - Flexible Income Plan - growth	-	20,000,000
491,197.564 (Previous year, NIL) Units in JP Morgan Mutual Fund India Equity Income Fund-Regular Plan-Dividend Payout	4,999,900	-
749,857.0800 (Previous year, NIL) Units in JP Morgan Mutual Fund India Equity Income Fund-Direct Plan-Dividend Payout	7,800,000	-
	2,946,092,869	2,638,971,939
Less: Adjustment for excess of cost over fair value	14,433	25,287,658
	2,946,078,436	2,613,684,281
Investments in Bonds (quoted)		
Face value of all units, ₹1,000,000/-		
55 (Previous year, 55) Units in Tata Power Company Limited RR NCD - 10.75%	56,555,000	56,555,000
50 (Previous year, 50) Units in Reliance Gas Transport Infrastructure Limited NCD -10.25%	53,520,000	53,520,000
30 (Previous year, 30) Units in Tata Steel Limited NCD Perpetual -11.50%	31,662,000	31,662,000
30 (Previous year, 30) Units in TISCO Perpetual NCD Perpetual - 11.80%	57,589,000	57,589,000
10 (Previous year, NIL) Units in Reliance Media Works Ltd. NCD - 11%	10,088,760	-
20 (Previous year, NIL) Units in The Tata Power Company Limited RR NCD Perpetual - 11.40%	21,253,000	-
	230,667,760	199,326,000
Less: Adjustment for excess of cost over fair value	1,402,000	5,822,760
	229,265,760	193,503,240
Investments in Debentures (unquoted)		
Face value of all units, ₹ 1,00,000/-		
45 (Previous year, NIL) Units in Reliance Capital market linked debenture series BA258 NCD - 9.50%	4,500,000	-
Total	3,179,844,196	2,828,195,184

Notes forming part of the financial statements

	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Aggregate value of investments (net of adjustment)		
Unquoted - cost	2,950,592,869	2,659,979,602
Quoted - cost	230,667,760	199,326,000
- Market value	233,395,675	193,719,240
NOTE 14 : INVENTORIES (At lower of cost and net realisable value)		
Raw materials and components	40,124,501	39,748,919
(Includes Goods-in-transit of ₹ NIL (Previous year ₹12,227,972/-))		
Work-in-progress	-	1,182,888
Finished goods	35,543,103	25,354,453
Traded goods	58,039,322	208,144,927
(Includes Goods-in-transit of ₹2,343,750/- (Previous year ₹47,753,902/-))		
Stores, spares and packing materials	692,012	666,570
Total	134,398,938	275,097,757
NOTE 15 : TRADE RECEIVABLES		
Unsecured		
a) Outstanding for a period exceeding six month from the date they were due for payment		
Considered doubtful	12,440,380	11,744,858
Less: Provision for doubtful receivables	12,440,380	11,744,858
	-	-
b) Others		
Considered good	87,585,860	291,743,440
Total	87,585,860	291,743,440
NOTE 16 : CASH AND CASH EQUIVALENTS		
a) Cash on hand	324,473	162,367
b) Balances with bank		
In Current accounts	6,720,635	27,984,126
In Exchange Earners Foreign Currency (EEFC) account	3,404,144	-
	10,449,252	28,146,493
Other bank balances		
In deposits accounts (Refer note below)	298,225,962	341,380,571
In earmarked accounts		
Unpaid dividend accounts	2,081,251	1,886,742
Deposits held as security against letters of credit (Refer note below)	209,094,472	128,145,834
Deposits held as margin money (Refer note below)	1,814,368	1,824,368
	511,216,053	473,237,515
Total	521,665,305	501,384,008

Note: Balances with bank include deposits amounting to ₹ 507,320,434/- (previous year ₹ 469,526,405/-) and margin monies amounting to ₹ 1,814,368/- (previous year ₹ 1,824,368/-) which have an original maturity of more than 12 months.

Notes forming part of the financial statements

	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 17 : SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good (unless otherwise stated):		
Security deposits	2,255,179	3,032,886
Advances / Loans to Employees (Refer note below)	1,279,835	1,015,156
Prepaid expenses	5,113,638	3,845,860
Others :		
VAT credit receivable	-	129,290
CENVAT / Service tax credit receivable	32,588,032	20,117,596
Custom duty receivable	2,082,765	10,549,250
Balance in DEPB licenses	188,531	1,227,195
Advances to suppliers	2,363,832	13,135,561
	<u>45,871,812</u>	<u>53,052,794</u>
Unsecured, considered doubtful:		
Advances to suppliers	22,440	206,455
Less : Provision for doubtful advances	<u>22,440</u>	<u>206,455</u>
	-	-
Total	<u>45,871,812</u>	<u>53,052,794</u>
Notes :		
Loans and advances in the nature of loans due from: (in accordance with clause 32 of Listing Agreement)		
<i>Others (interest-free loans with no repayment schedules)</i>		
Employees	286,833	180,720
Maximum balance outstanding at any time during the year	349,043	548,388
NOTE 18 : OTHER CURRENT ASSETS		
Interest accrued on		
Bank deposits	25,172,121	20,767,098
Trade receivables	-	1,235,660
Bonds held as current investments	8,171,870	7,103,514
Debentures held as current investments	<u>251,815</u>	<u>-</u>
Total	<u>33,595,806</u>	<u>29,106,272</u>

Notes forming part of the financial statements

	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
NOTE : 19 REVENUE FROM OPERATIONS		
Sale of products (Refer Note (i) below)	843,154,944	1,415,902,067
Sale of services (Refer Note (ii) below)	84,722,351	124,948,331
Other operating revenues (Refer Note (iii) below)	921,226	2,302,991
	928,798,521	1,543,153,389
Notes :		
(i) Sale of products comprises of		
<u>Finished goods</u>		
Networking products	185,516,641	393,718,824
<u>Traded goods</u>		
Networking products	657,638,303	1,022,183,243
Total	843,154,944	1,415,902,067
(ii) Sale of Services comprises of		
Repair services	75,924,374	108,766,291
AMC services	7,386,765	10,058,058
Technical support services	-	258,132
Job work charges	1,411,212	5,865,850
Total	84,722,351	124,948,331
(iii) Other operating revenues		
Sundry balances written back	715,304	2,288,983
Recovery of trade receivables earlier written off	205,922	14,008
Total	921,226	2,302,991
NOTE 20 : OTHER INCOME		
Interest income		
- On fixed deposits with banks	46,782,840	56,954,808
- On bonds and securities	22,030,117	13,999,423
- On Debentures	251,815	-
- On overdue trade receivables	3,048,332	5,072,074
- Other Interest	-	46,924
	72,113,104	76,073,229
Dividend income from current investments	366,233	521,905
Write back of adjustment for excess of cost over fair value of current investments (net)	31,478,076	-
Net gain on sale of current investments	298,648,457	148,206,717
Rent income from operating leases	972,704	3,289,142
Profit on fixed assets sold / written off (net)	265,667	249,190
Exchange gain (net) (Refer note 26 c)	9,631,880	4,590,156
Insurance and other claims	-	428,567
Scrap income	262,497	604,665
Total	413,738,618	233,963,571

Notes forming part of the financial statements

	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
NOTE 21 : (DECREASE) / INCREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Stock as at 31st March, 2015		
Finished goods		
- Manufactured	35,543,103	25,354,453
- Traded	58,039,322	208,144,927
Work-in-progress	-	1,182,888
	<u>93,582,425</u>	<u>234,682,268</u>
Less: <u>Stock as at 1st April, 2014</u>		
Finished goods		
- Manufactured	25,354,453	53,212,109
- Traded	208,144,927	82,422,529
Work-in-progress	1,182,888	3,654,214
	<u>234,682,268</u>	<u>139,288,852</u>
(Decrease) / Increase	<u>(141,099,843)</u>	<u>95,393,416</u>
NOTE 22 : EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	196,900,034	221,844,688
Contribution to provident and other funds	5,511,803	5,793,742
Staff welfare expenses	11,495,647	13,412,414
Gratuity	3,624,671	971,610
Leave encashment	1,976,315	1,986,153
Total	<u>219,508,470</u>	<u>244,008,607</u>
NOTE 23 : FINANCE COSTS		
Interest Expenses on :		
Trade payables (Refer Note 33)	2,645	6,454
Others		
- Interest on delayed payment of income tax	20,155	25,869
- Interest on statutory payments etc.	14,810	97,918
Total	<u>37,610</u>	<u>130,241</u>
NOTE 24 : OTHER EXPENSES		
Stores, spares and packing material consumed	5,915,678	12,266,843
Excise duty (Refer Note No. 36 (ii))	684,300	(5,415,541)
Power and fuel	13,324,206	13,792,240
Rent	11,395,538	16,309,006
Rates and taxes	1,996,981	2,087,649
Insurance	4,052,735	4,589,197

Notes forming part of the financial statements

	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
<u>Repairs and maintenance</u>		
Buildings	-	68,000
Machinery	1,612,476	2,664,867
Others	5,805,100	9,571,261
	7,417,576	12,304,128
Travelling and conveyance expenses	13,946,614	18,457,197
Communication expenses	5,446,892	6,821,916
Legal and Professional fees	31,254,826	25,096,694
Advertisement and sales development expenses	40,107,732	73,011,573
Freight Outward	15,651,301	21,610,581
Printing and stationery expenses	4,805,604	4,711,491
Servicing expenses	16,694,971	16,720,649
Excess of cost over fair value of current investments (non-trade) (net), adjusted	-	32,612,509
Provision for doubtful debts and advances	674,552	10,122,596
Sundry balances written off	115,519	705,977
Bad debts written off	99,669	356,054
Miscellaneous expenses	18,482,895	28,347,696
Total	192,067,589	294,508,455

	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
NOTE 25 : CONTINGENT LIABILITIES AND COMMITMENTS		
Contingent liabilities in respect of		
a. Show cause notices received from customs authorities relating to imports made in earlier years. The Company has received order from Commissioner (Appeals) Nos. GOA-EXCUS-000-043 & 044-14-15 dated 12-Aug-2014 dropping the less charge demand notices	-	238,259
b. Disputed demands of custom duty pending before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) (Amount deposited as pre-deposit ₹900,000/-) in connection with classification of networking products.	2,414,221	2,414,221
c. 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
d. Disputed penalty demands of Excise Authorities with regard to (c) above, pending before the CESTAT	39,880,674	39,880,674
e. 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.	3,883,884	3,883,884

Notes forming part of the financial statements

	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
<p>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.</p> <p>The Company is confident of successfully contesting the demands and does not expect any significant liability to crystallise.</p> <p>f. 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.</p> <p>The Company had filed an application in the Hon'ble High Court of Bombay and the Hon'ble High Court has passed the order on 03-Mar-2015 quashing the order of Metropolitan Magistrate.</p>		

NOTE 26 : FOREIGN CURRENCY

- a) The Company enters into foreign exchange forward contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the Company's foreign currency forward contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments.

The following are the outstanding forward exchange contracts entered into by the company:

Currency	Amount Outstanding as at year end in Foreign currency	Amount outstanding at year end in ₹	Exposure to Buy / Sell
US Dollar	400,000	25,042,000	Buy

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

	As at 31 st March, 2015		As at 31 st March, 2014	
	In foreign Currency	In ₹	In foreign Currency	In ₹
Amount receivable in foreign currency on account of the following:				
Trade receivables	USD 290,958	18,181,942	USD 563,705	33,777,183
Loans and advances	USD 4,881	207,546	USD 5,633	241,784
Amount payable in foreign currency on account of the following:				
Trade payable	USD 241,789	15,111,824	USD 1,910,965	114,524,125

- c) Amount of exchange differences included in the Statement of Profit and Loss

	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
Exchange gain	11,423,642	27,450,976
Exchange loss	1,791,762	22,860,820

Notes forming part of the financial statements

	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
NOTE 27 : PAYMENT TO AUDITORS (NET OF SERVICE TAX)		
a. As Auditors	1,170,000	1,170,000
b. For other services - certification	260,000	280,000
c. For Expenses	-	38,731
Total	1,430,000	1,488,731
	Current year ₹	Previous year ₹
NOTE 28 :		
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	12,372,964	13,090,123
Current Service Cost	2,147,948	1,926,343
Interest Cost	1,041,838	950,239
Actuarial (gain) / loss	1,219,715	(1,169,462)
Benefits paid	(1,948,602)	(2,424,279)
Defined Benefit obligation at year-end	14,833,863	12,372,964
II. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	8,699,007	8,556,750
Adjustment to opening balance	56,896	-
Expected return on plan assets	747,038	762,643
Actuarial gain/(loss)	(19,104)	(27,133)
Employer contribution	1,511,947	1,831,026
Benefits paid	(1,948,602)	(2,424,279)
Fair value of plan assets at year end	9,047,182	8,699,007
III. Reconciliation of fair value of assets and obligations		
Present value of obligation as at 31 st March, 2015	14,833,863	12,372,964
Fair value of plan assets as at 31 st March, 2015	9,047,182	8,699,007
Amount recognized in Balance Sheet	(5,786,681)	(3,673,957)
IV. Expense recognized during the year (Under the head "Employees benefits expense" - Refer to note 22)		
Current Service Cost	2,147,948	1,926,343
Interest Cost	1,041,838	950,239
Expected return on plan assets	(803,934)	(762,643)
Actuarial (gain) / loss	1,238,819	(1,142,329)
Net Cost	3,624,671	971,610

Notes forming part of the financial statements

	Current year ₹	Previous year ₹			
V. Actuarial assumptions					
Discount rate (per annum)	7.73%	9.14%			
Expected rate of return on plan assets (per annum)	8.75%	9.15%			
Rate of escalation in salary (per annum)	5.00%	5.00%			
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.		Amount in ₹			
Experience Adjustment	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
On plan liabilities	1,219,715	(1,169,462)	(2,862,272)	(201,931)	(862,308)
On plan assets	(19,104)	(27,133)	130,550	133,459	103,636
Present value of benefit obligation	14,833,863	12,372,964	13,090,123	13,444,956	13,663,386
Fair value of plan assets	9,047,182	8,699,007	8,556,750	7,176,902	4,769,523
Excess of (obligation over plan assets) / plan assets over obligation	(5,786,681)	(3,673,957)	(4,533,373)	(6,268,054)	(8,893,863)

VIII. The contribution expected to be made by the Company during the financial year 2015-16 is ₹ 4,500,000/-.

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 :
- i) Contribution to provident fund ₹ 5,170,288/- (previous year ₹ 5,431,967/-).

NOTE 29 : SEGMENT INFORMATION

A Segment information for primary reporting (by business segment)

The Company has its operations in developing, manufacturing, marketing, distributing and servicing networking products. These networking products are sold to distributors, Original Equipment Manufacturers (OEM's) and System Integrators (SI). The primary reporting segment for the Company therefore, is the business segment, viz., networking products.

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

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

- i) Domestic
ii) Export

Information about secondary segments

	Amount in ₹			
Particulars	Domestic	Exports	Unallocated	Total
Revenues from external customers (net) (including sale of services)	815,709,997 (1,384,240,007)	93,510,121 (114,215,416)	- -	909,220,118 (1,498,455,423)
Segment assets	502,395,537 (877,867,099)	18,181,942 (33,777,183)	3,788,269,983 (3,429,225,542)	4,308,847,462 (4,340,869,824)
Additions to fixed assets during the year	4,020,999 (8,328,979)	- -	- -	4,020,999 (8,328,979)

Figures in brackets are for the previous year

Notes forming part of the financial statements

NOTE 30 : 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, 2015 ₹	For the year ended 31 st March, 2014 ₹
Net Profit / (loss) for the year attributable to Equity Shareholders	132,067,544	(20,930,279)
Weighted average number of equity shares	30,004,850	30,004,850
Par value per share	2.00	2.00
Basic and Diluted earnings per share net of tax	4.40	(0.70)

NOTE 31 : 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, 2015 ₹	As at 31 st March, 2014 ₹
a. Deferred Tax Liability		
Fiscal allowances of fixed assets	(8,650,980)	(11,058,751)
Total	(8,650,980)	(11,058,751)
b. Deferred Tax Asset		
Unabsorbed depreciation restricted to above	-	11,058,751
Provision for doubtful debts and advances	4,646,943	-
Provision for slow moving stock	17,352,347	-
Others	6,214,654	-
Total	28,213,944	11,058,751
Deferred Tax Asset (net)	19,562,964	NIL *

Note :

- 1 In previous year deferred tax asset had been recognised to the extent of deferred tax liability on prudence. Other deferred tax assets had not been recognised in the absence of virtual / reasonable certainty supported by convincing evidence that future taxable income would be available against which such deferred tax asset would be recognised.
- 2 Deferred tax impact in respect of transitional provisions upon application of Schedule II of the Companies Act, 2013 has been given in the reserves.

NOTE 32 : RELATED PARTY DISCLOSURES

Names of related parties where control exists

Smartlink Middle East FZE has been liquidated w.e.f. 23-Oct-2014.

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. Aarti K. Naik (Director / Chief Operating Officer)	Key management person w.e.f. 09-Sep-14. (Relative of key management person till 08-Sep-14)
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

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. Aarti K. Naik	1,435,224	-	471,100	1,906,324
	-	-	(884,842)	(884,842)
Dividend paid				
Mr. Kamalaksha R. Naik	31,325,986	-	-	31,325,986
	(31,325,986)	-	-	(31,325,986)
Mr. Kamalaksha R. Naik (HUF)	-	685,942	-	685,942
	-	(685,942)	-	(685,942)
Mrs. Sudha K. Naik	-	-	3,000,486	3,000,486
	-	-	(3,000,486)	(3,000,486)
Mrs. Lakshana A. Sharma	-	-	3,661,682	3,661,682
	-	-	(3,661,682)	(3,661,682)
Ms. Aarti K. Naik	-	-	6,027,056	6,027,056
	-	-	(6,027,056)	(6,027,056)
Rent Expense				
Ms. Aarti K. Naik	-	-	720,000	720,000
	-	-	(720,000)	(720,000)
As at the year-end				
Amount due from				
Ms. Aarti K. Naik (Rent Deposit)	-	-	600,000	600,000
	-	-	(600,000)	(600,000)

Note :

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

NOTE 33 : THE DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made on the basis of confirmations received from suppliers regarding their status under the said Act;

Amount in ₹

Particulars	Current year	Previous year
Outstanding principal amount and interest as on 31 st March 2015		
- Principal Amount	334,503	420,760
- Interest due thereon	-	-
Amount of interest paid along with the amounts of payment made beyond the appointed day	28,085	5,904
Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	2,645	6,454
The amount of interest accrued and remaining unpaid at the end of each accounting year	2,645	28,085
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	-	-

Notes forming part of the financial statements

	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
NOTE 34 : COST OF RAW MATERIALS CONSUMED		
Raw materials consumed comprises		
Intergrated circuits	47,324,434	150,713,238
PCBs	12,753,661	17,676,228
Connectors	9,365,505	25,336,841
Capacitors	4,393,693	12,567,562
Transistors	2,189,453	8,659,579
Others	99,144,159	79,279,106
Total	175,170,905	294,232,554

	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
NOTE 35 : PURCHASE OF TRADED GOODS		
Networking products	427,575,985	1,017,380,746

NOTE 36 : OTHER DISCLOSURE

	Current year		Previous year	
	₹	% age to total consumption	₹	% age to total consumption
a) Raw materials consumed				
imported	150,349,866	85.83	265,619,146	90.28
indigenous	24,821,039	14.17	28,613,408	9.72
Total	175,170,905	100.00	294,232,554	100.00
b) Stores, spares and packing materials consumed				
imported	5,616,244	94.94	10,866,037	88.58
indigenous	299,434	5.06	1,400,806	11.42
Total	5,915,678	100.00	12,266,843	100.00

	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
c) C.I.F. value of goods imported		
Raw materials and components	131,746,202	289,104,426
Stores, spares and packing materials	4,665,826	11,518,474
Traded goods	409,968,601	904,633,406
d) Expenditure in foreign currency		
Travelling expenses	1,390,337	2,326,537
Professional fees	103,137	448,811
Advertisement, Sales development, reimbursement of expenses, etc.	58,333	2,578,312
e) Earnings in foreign exchange		
F.O.B. value of goods exported	22,086,809	16,533,825
Income from services	71,423,312	97,681,591
f) Amount remitted during the year in foreign currency on account of dividend		
Number of non-resident shareholders	1	1
Number of shares held by them on which dividend is due	50,000	50,000
Year to which dividend relates	2013-14	2012-13
Amount of dividend remitted (Rupees)	100,000	100,000

Notes forming part of the financial statements

Other than the above, the Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividend have been made by non- resident shareholders.

- g. During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful lives of some of its fixed assets to align the useful lives with those specified in Schedule II.

The details of previously applied depreciation rates / useful lives are as follows:

Asset	Previous depreciation rate / useful life	Revised useful life
Factory Buildings	3.34%	30 years
Office Buildings	1.63%	60 years
Computers and Computer Software	4 years	3 years
Computers Software tools	4 years	4 years
Plant and Machinery	8 years	8 years
Furniture & Fixtures	8 years	8 years
Motor Vehicles	5 years	5 years
Office Equipment	8 years	5 years
Electrical Installations	10 years	10 years
Air conditioners	10 years	10 years
Fences, wells and tube wells	3.34%	5 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of fixed assets, where the remaining useful lives of the assets were determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 1,570,625/- (net of deferred tax of ₹ 808,752/-) against the opening Surplus in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 2,675,104/- consequent to the change in the useful lives of the assets.

- h. The Company had instituted "Employee Stock Option Plan" (ESOP) for its employees in the year 2000. To administer the ESOP the Company had created a Trust viz. D-Link (India) Limited ESOP Trust (the Trust) in September 2000. The said Trust was allotted 6,50,000 Equity Shares of ₹ 2/- each. In terms of the said ESOP, the Trust had granted options to the employees in the form of Equity Shares which vest at the rate of 25% on each successive anniversary of the grant date. The Trust had been renamed as Smartlink Network Systems Limited ESOP Trust. ESOP Compensation Committee had also re-priced the unexercised options granted to employees to compensate for reduction in the intrinsic value of the company pursuant to the Scheme of arrangement with D-link (India) Limited.

The accounting of ESOP's granted by the Trust to the employees of the Company was done in accordance with The SEBI (ESOS and ESPS) Guidelines, 1999. These Guidelines were amended in July 2004 for all accounting periods commencing after 30th June 2003. The amendment required the Company to prepare its accounts as if the ESOS/ESPS scheme was administered by itself (rather than by the Trust). The Company had accordingly considered all the options granted by the Trust on or after 1st April 2004. The difference between the Market price of the share (intrinsic value) and the exercise price of the option, on the date of grant, had been amortised over the vesting period. The annual amortization was included under "Employee benefit expenses" and the cumulative charge disclosed in the Balance sheet under "Employee stock options". There are no further options outstanding to be granted.

- i. 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 the statement of profit and loss as "Excise Duty".
- j. Previous year's figures have been regrouped, wherever necessary, to correspond with those of the current year.

Signature to notes 1 to 36

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants

K. R. Naik
Executive Chairman
DIN: 00002013

Pankaj Baliga
Director
DIN: 00002864

A. Siddharth
Partner

Urjita Damle
Company Secretary

Bhushan Prabhu
Chief Financial Officer

Mumbai, dated: 13th May, 2015

Mumbai, dated: 13th May, 2015

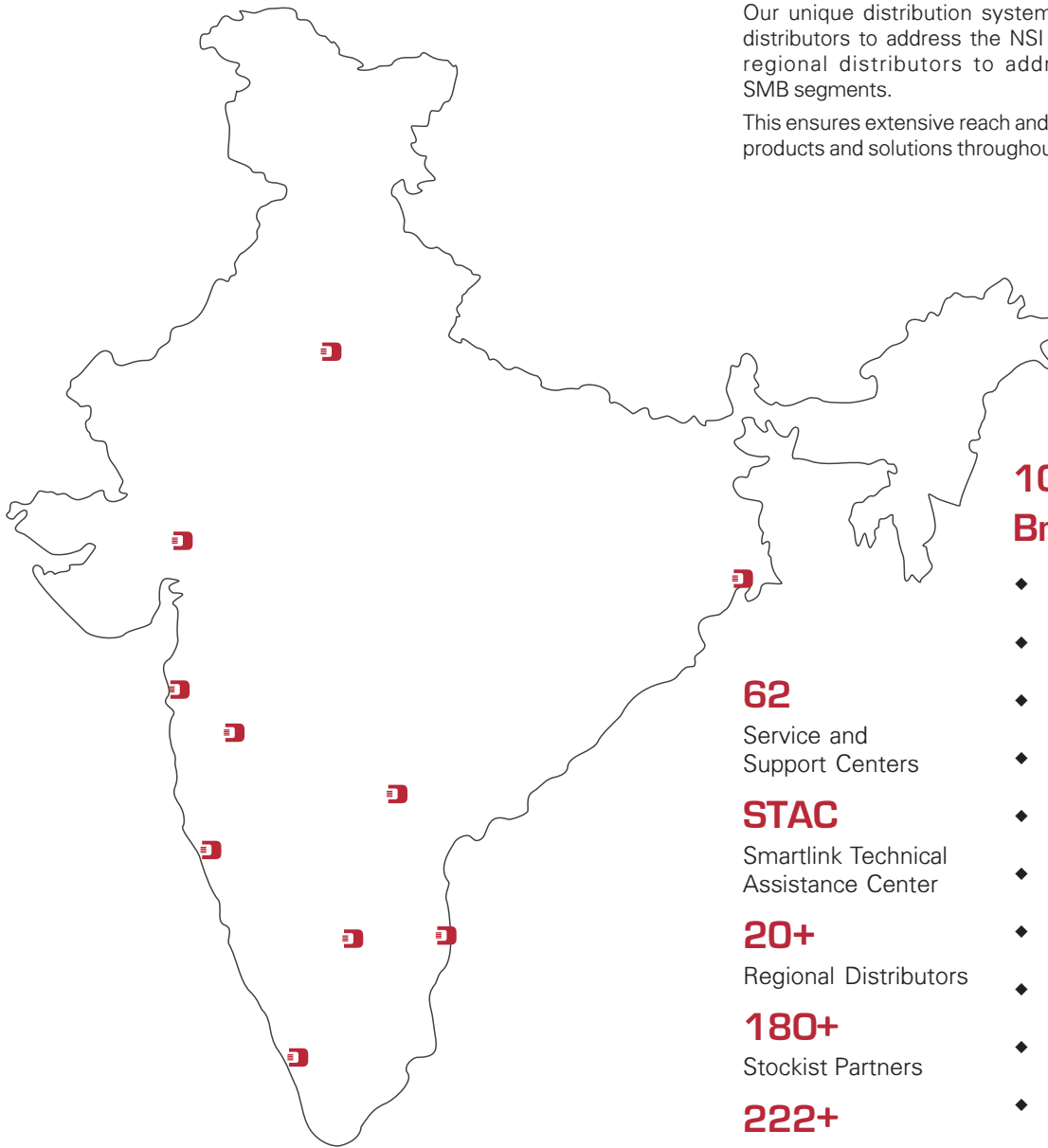
Notes

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Nationwide Reach

Our unique distribution system comprises of national distributors to address the NSI business and 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.



10 Branch Offices

- ◆ Kolkatta
- ◆ Mumbai
- ◆ Goa
- ◆ Bangalore
- ◆ Cochin
- ◆ Hyderabad
- ◆ Delhi
- ◆ Pune
- ◆ Ahmedabad
- ◆ Chennai

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Service and
Support Centers

STAC

Smartlink Technical
Assistance Center

20+

Regional Distributors

180+

Stockist Partners

222+

System Integrators

5000+

Resellers

Disclaimer/Forward Looking Statement

In this Annual Report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements-written and oral that we periodically make, contains forward looking statements that set out anticipated results based on the managements plans and assumptions.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risk and uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

www.smartlink.co.in

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Verna, Salcete,
Goa - 403 722.