

Smartlink Network Systems Ltd.

Annual Report 2011-12

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To the
top
non stop

The Smart Way

Where there's a will, there's a winner.

To see possibilities far beyond the obvious. Often far above the range of the eye. That needs a rare kind of **vision**.

To embark on that climb. To clearly weigh the risks...and yet seek the rewards. That needs supreme **confidence**.

To overcome the hazards along the path. To straddle the pitfalls. Hurdle the obstacles. That needs uncommon **capability**.

To launch three brands and take them on a rapid upward path in a challenging domain, and in difficult times. That needs **determination** and **drive**. And the **will** that will make us a **winner**.



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

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

Values

- Innovation ■ Commitment ■ People Growth ■ Customer Delight
- Highest Ethics & Integrity.



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A photograph of a Smartlink building with a large, curved glass facade. The building is modern and has a grey and blue color scheme. It is surrounded by greenery and a lawn. The sky is clear and blue.

Chairman's Message



K. R. Naik,
Executive Chairman

Dear Shareholders,

It was a landmark year for your company, during which we successfully completed the closure of Business Transfer Agreement (BTA) for transfer of our DIGILINK brand product business with Schneider Electric on 13th May, 2011. We thank you for your consensus in supporting this transaction. This has led to a large increase in our investors' wealth, and has enabled us to pay a record dividend to our valued shareholders.

Following this BTA, your company's balance sheet has become extremely strong, along with expertise of two decades of building brands in Networking product lines and motherboards. We are now poised to use the resources developed over the years to build our own brands - DIGISOL, DIGILITE & DIGICARE in respective fields of IT.

People build brands by setting up infrastructure to build expertise for long term sustained growth in technology; we have been investing in trained and experienced manpower to utilize our resources and business in the newly introduced brands which are already getting recognized in the IT industry.

On this occasion, I am pleased to inform you that Mr. Bimal Raj has been appointed as Chief Executive Officer with effect from 2nd April, 2012. Mr. Bimal Raj is a senior management professional with substantial

management and leadership experience, in large dynamic organizations along with more than 24 years of experience in the IT industry. During his career, he has shouldered various responsibilities in the areas of sales & marketing, identifying new technology areas and revenue streams, strategic planning and development.

I am also happy to announce that Mr. Jangoo Dalal who has been on the Board of Directors of the Company for the past 5 years has been additionally appointed as a Products and Service Business Consultant, for a period of three years.

To further strengthen the family of Smartlink brands, we will be exploring various new product lines and business initiatives that will be in synergy with our existing business model, and help us to further penetrate the Indian market. This will also help our channel partners to widen their portfolio with more Smartlink products.

We are now a focused Indian entity with strong brands: DIGISOL for Active networking product lines, DIGILITE for Motherboards & peripherals and DIGICARE for Support services. We have the requisite infrastructure, supported by state-of-the-art manufacturing facilities and the best of teams. We have built the support functions required to succeed, and to take these three businesses to newer heights in the Indian market.

I am also pleased to share with you the affection and positive feedback we have received from our partner community and customers in the last nine months. Coupled with the Government's increased focus on promotion of Indian manufacturing, we are confident that we are on a healthy growth path being on similar business lines for years.

उद्यमेनैव सिध्यन्ति कार्याणि न मनोरथैः ।
न हि सुप्तस्य सिंहस्य प्रविशन्ति मुखे मृगाः ।

As the Sanskrit saying teaches us: It is with hard work that one can accomplish one's goals, not simply by dreaming. The lion is king of the jungle, but he still has to go and hunt for his meal, because the deer will not come to the lion and ask to be eaten.

Let us all refocus, rededicate and reenergize ourselves as we get on with 2012-13, to create strong powerful newly introduced Indian brands of which we will all be proud of, not only in India but internationally.

Sincerely,

K. R. Naik
Executive Chairman

DIGISOL

We have set new benchmarks in Converged Communication solutions with our brand, DIGISOL. Our legacy of developing conscientious products further bestows the coveted competitive edge.

Having discerned the precise requirements of our customers, we have developed a wide-ranging product portfolio under the DIGISOL brand that encompasses:

Converged Communications Solutions

- Switching
- Broadband Routing
- Wireless LAN
- Converged Communication
- IP Surveillance
- VoIP

Our well trained Engineers offer assistance in designing optimum systems and provide value added services like consultancy, site evaluation, network planning, site audits etc. to meet customer needs. With a pool of certified engineers we are always available to provide our customers with prompt pre-sales and post-sales technical support.

Our **'Future proof & 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 networks. DIGISOL products and solutions meets & exceeds industry standards and exhibits optimized end-to-end network performance. It provides every user with increased margin, higher head room, higher bandwidth and maximum speed.



DIGILITE Motherboards and more...

As an Indian company with more than three decades of experience in manufacturing motherboards right from the days of 8086/80286, the company has introduced a new brand for motherboards under the brand name DIGILITE. The Company has a significant competitive edge with its cost effective manufacturing, its brand building expertise and strong distribution. DIGILITE is one of the fastest selling motherboard brands in India.

DIGILITE offers strong and localized supply chain of component products to ensure just in time delivery for customers, dedicated tech support at BIOS & design level, follow robust INTEL & AMD roadmaps with latest products available across points of sale.

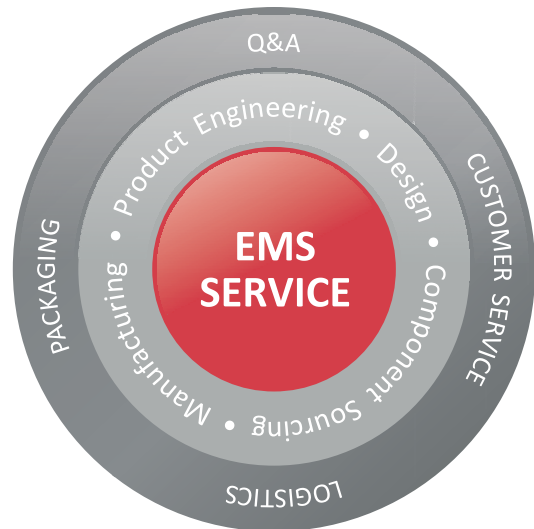
One of the strengths of DIGILITE brand of product range is its strong channel base of National Distributors/Regional Distributors across India. This consists of INGRAM MICRO as a distribution partner and 34 re-distribution partners backed by strong service support network provided by in-house support of DIGICARE.

Electronic Manufacturing Services

Smartlink Network Systems Ltd, has over 2 decades of experience in manufacturing of electronic products for IT, Networking and Telecom Industry. The manufacturing facility is located at Goa.

Our strengths include:

- ISO 9001:2008 and ISO 14001:2004 certified plants with 2 highly versatile SMT lines
- 1,20,000 sq.ft Production Shop Floor area with 2 SMT lines
- World Class Manufacturing Setup with Dust proof & Humidity controlled environment
- SMT setup with unique integration backed up by highly skilled Personnel
- Availability of Latest technology Equipments like ICT, BGA Rework machines, X-ray machine
- Process Capability of Manufacturing of RoHS Products
- BAR Code Shop Floor Control system for flawless process engineering
- Committed to delivering quality with speed



EMS Division offering:

1. Over 2 decades of experience in Manufacturing
2. Product Engineering Facility
3. Customer support of IT, Telecom & Electronic Products

Benefits of Local Manufacturing:

- Preferential treatment in Govt, PSU purchases
- Shorter lead times
- Component Level Service support
- Local product warranty
- Higher value addition
- Cost benefits for planned purchases
- Local call centre support for the product for end customers



DIGICARE

DIGICARE, the service division of Smartlink Network Systems Ltd. offers after-sale-services. DIGICARE offers first-rate integrated service and support, which consists of RMA centres, DIGICARE Technical Assistance Centre (DTAC) and Direct Service Division (DSD).

DIGICARE has evolved most efficient, skilled and professional state of service infrastructure. It has 18 Direct RMA/Service centres and 46 Service Partners across the country.

DIGICARE Technical Assistance Centre (DTAC) supports international and domestic customer support on voice, emails and chat with a wide range of technological skills including level 1, 2, 3 troubleshooting in LAN Adapters, Switches, Routers, Broadband, Wireless Security, VoIP, Surveillance, Storage, 3G products etc.

DIGICARE has been awarded "Best Post Sales Services" VARIndia Star Nite Awards 2011.

DIGICARE Vision

To provide effective & efficient repair and logistic services through state-of-the-art infrastructure and technically skilled engineers delivering on commitment within prescribed timeline.

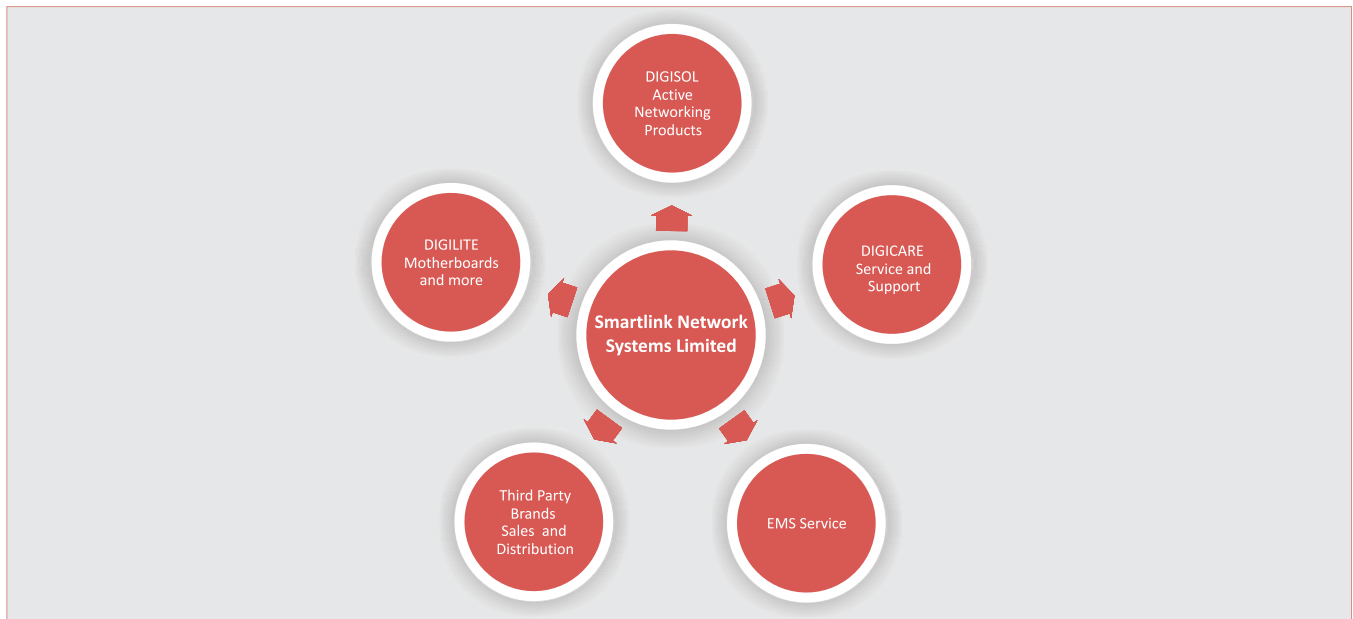
DIGICARE Mission

- To provide best possible service to all our valued customers
- To adhere to deadlines & provide efficient service.
- To grow & reach every corner of India for better service to the customer





RMA Service and Support Centre 64 locations across India	DTAC Technical Assistance Centre 24x7	DSD Direct Service Division Toll free number: 1800 209 3444
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Smartlink Business Model



Awards & Recognitions

		
<p>DIGISOL No.1 in Home Networking, CRN Channel Champion Award 2011</p>	<p>DIGILITE Fastest Selling Brand in Motherboards, 10th VARIndia Star Nite Awards 2011</p>	<p>DIGISOL 'Best End-to-End Switching Solution' Brand, 10th VAR India Star Nite Awards 2011</p>
		
<p>DIGISOL Most Promising Networking Brand, ITPV Partners leadership Award 2011</p>	<p>DIGICARE Best Post Sales Services (RMA), 10th VARIndia Star Nite Awards 2011</p>	<p>DIGILITE Best Motherboard Debut Award, ITPV Partners leadership Award 2011</p>
		
	<p>SMARTLINK Fastest growing Indian IT company, 10th VARIndia Star Nite Awards 2011</p>	

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. Mr. Naik has nearly 4 decades of experience in the networking industry. He holds a Post Graduate Degree in Industrial Engineering 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 was part of the design and development of parts and products team. He is also a former President of MAIT.



Jangoo Dalal

Mr. Jangoo Dalal is an industry veteran and brings with him 25 years of industry experience from organizations like Wipro Infotech, Wipro British Telecom, Cisco Systems, erstwhile D-Link (India) Ltd. and Avaya India Pvt. Ltd. He holds a Bachelors Degree in Science and Master of Management Studies (MBA) with specialization in Marketing from Mumbai University.



Pradeep Rane

Mr. Pradeep Rane is a Science graduate and has around 30 years of experience in Sales and Marketing and overall Business Management in the Pharmaceuticals industry.



R. T. Krishnan

Prof. R. T. Krishnan possesses a Masters Degree in Science from IIT, Kanpur; Masters Degree in Engineering, Economic Systems, Stanford University and a Doctorate from IIM, Ahmedabad. He is presently a Professor, Corporate Strategy & Policy Area at Indian Institute of Management, Bangalore. His research interests are in the areas of Strategy, Innovation and Competitiveness.



Pankaj Baliga

Mr. Pankaj Baliga has a Bachelors Degree in Engineering, NIT, Durgapur; Masters Degree in Business Administration, IIM, Ahmedabad and is a SPURS Fellow, Massachusetts Institute of Technology, U.S.A. He has more than 36 years of experience in Management of which for over 30 years with the Tata Group and the last 9 years at Tata Consultancy Services Ltd. (TCS), where he is presently a Consulting Advisor.



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. where he worked for 23 years in various positions, with the last six years as a Vice President in their Fibre Marketing Division. Today he is a Freelance Consultant.



Dattaraj Salgaocar

Mr. Dattaraj Salgaocar holds a Bachelors Degree in Production Engineering from VJTI, University of Mumbai and MBA (Finance) from Wharton Business School, University of Pennsylvania, USA. He is a leading industrialist.