

Smartlink Network Systems Ltd.

**2016-17**

Annual Report

**smartlink**   
*Smart Solutions for a Smarter Planet*

A new strategy  
for focused growth



**DIGISOL™**

**SYNEGRA™**

**TELESMART™**



**DIGISOL™**

**DIGISOL Systems Ltd.**

**SYNEGRA™**

**SYNEGRA EMS Ltd.**

**TELESMART™**

**TELESMART SCS Ltd.**



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## Group Vision

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

## Group Mission

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





**K. R. Naik**  
Executive Chairman

# Chairman's Message

“ This year, we undertook a major restructuring exercise of the company keeping in view our vision and strategic priorities for ensuring focused growth in all our core businesses and tapping opportunities for each of these businesses. ”

Dear Shareholders,

The year under review has been a most significant one as we undertook a major restructuring exercise of the company. This was done keeping in view our vision and strategic priorities for ensuring focused growth in all our core businesses and tapping opportunities for each of these businesses. This has therefore been a milestone year for your company.

The restructuring exercise has been discussed in detail in the Management Discussions & Analysis section of the annual report, but I would like to share with you the rationale that led us to this decision.

As you are aware, Smartlink Network Systems Ltd. operated as an integrated IT networking products company engaged in the marketing of 'Digisol' brand products sourced from OEM suppliers worldwide as well as manufactured in-house in its own state-of-the-art facilities at Goa.

Over the years, the business of networking products has become fiercely competitive with a large number of players in the different segments of business. It becomes increasingly difficult and unwieldy for one company to handle both manufacturing as well as marketing of the active range as well as the passive range of products and deliver a high level of innovation, quality and service to the consumer. The breadth of technology has also become huge and, in every product category, technology changes at a rapid pace. Further, the designing and manufacturing of products call for different skill sets than those required for marketing, sales and service of products.

Brand building requires a sharp focus as well as deep understanding of consumer behavioural patterns.

We realized that it would be virtually impossible to deliver a full range of solutions

## Chairman's Message

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that customers need at the pace that the market requires unless we have strong focus in each segment. It was, therefore, important to have distinct identities in marketing and sales for branded products and in our manufacturing activity of active as well as passive range of products.

Many opportunities lie before us and it was important that we made the right move to enable us to focus better on delivering the products and solutions that our customers want. Hence, we have restructured our operations as below:

1. We have incorporated **three wholly owned subsidiary companies** viz. **Digisol Systems Ltd.** (DIGISOL), **Synegra EMS Ltd.** (SYNEGRA) and **Telesmart SCS Ltd.** (TELESMART).

**Digisol Systems Ltd.** will carry on the business of marketing and sales of various Networking and Information Technology - Active and Passive products under the brand DIGISOL, which is a well established brand today with its own R&D and testing Lab.

**Synegra EMS Ltd.** will carry on the business of Electronic Manufacturing Services (EMS) of various categories of Active Networking and Information Technology products. It will be a general purpose manufacturing company and act as OEM supplier to brand companies including Digisol.

**Telesmart SCS Ltd.** will carry on the business of passive range of products in copper and fiber used in cabling systems, often referred to as structured cabling products.

2. The second step involved the slump sale of Smartlink's existing businesses to the wholly owned subsidiaries on a slump sale basis as a going concern. As a result, the Digisol business of brand building, marketing and sales of active networking products has been transferred to Digisol Systems Ltd. and the EMS business has been transferred to Synegra EMS Ltd.
3. The final step of this restructuring involved making an application to Reserve Bank of India by Smartlink for registration of the Company as a Non Banking Financial Company (NBFC) (Non-Deposit taking) as Smartlink is left with only financial assets and the income it would generate from its investments.

To summarise, Smartlink Network Systems Ltd. is a holding Company with three wholly owned subsidiaries - DIGISOL, SYNEGRA and TELESMART, each of them specializing in their own businesses.

This restructuring will enable each of the subsidiaries to focus on their respective business and drive our future growth. We have seen that when companies focus intensely in a well defined core business area, they become very successful and deliver greater value to their customers. As a result of this strategy, each of the subsidiaries will be well placed to deliver a family of products that best empower their customers.

Over the years we have delivered many great products and have had much success in the



“Going forward, each subsidiary will have its own strategy which will mean better execution from product conceptualization and innovation right through manufacturing, marketing and sales.”

marketplace. In many ways, we have redefined the Indian networking space and pioneered the building of an indigenous brand in a marketplace which valued only MNC brands.

Going forward, each subsidiary will have its own strategy which will mean better execution from product conceptualization and innovation right through manufacturing, marketing and sales. Each subsidiary will remain disciplined and focused on continuing to drive operational efficiencies and productivity to achieve profitable growth.

The new structure will improve our competitive position, increase efficiency and enhance our ability to bring innovation and affordable solutions to our customers. The subsidiaries will accomplish all this while maintaining their unwavering commitment to our core values and high ethical standards. And, we will continue our long standing commitment to be a responsible employer and a good corporate citizen, fostering diversity and providing a safe workplace, implementing sustainability initiatives and supporting educational, environmental and other initiatives.

We believe we have an opportunity to chart a new course for our shareholders. We are transforming

our business model and evolving our organization and our culture so that we can move quickly and the subsidiaries can focus on their strategic priorities. We are excited to build on the momentum of the past and the promise of the future.

I would conclude by extending my sincere gratitude to my colleagues on the Board for their continued guidance, all the employees of Smartlink and its three subsidiaries for their unstinted dedication and commitment, and stakeholders, associates, customers and friends for their whole hearted support in all our endeavours.

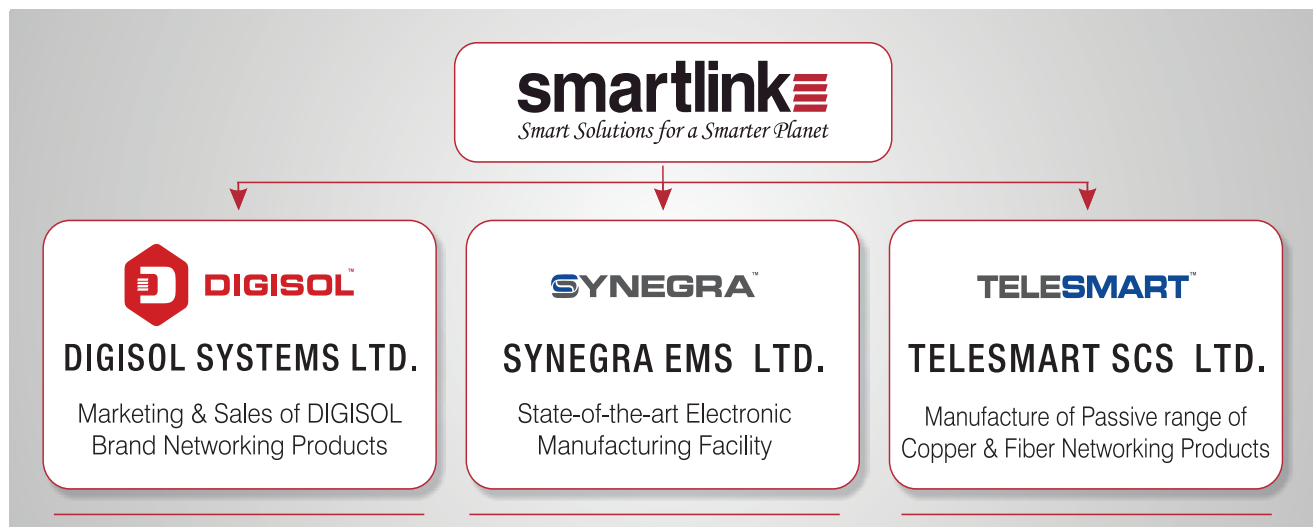
I must express my special thanks to our investors and shareholders who have always reposed their confidence in us. I would like to assure every one of them that their faith in us will continue to be rewarded in the years ahead.

Thank you.

Sincerely,

**K. R. Naik**  
Executive Chairman  
DIN: 00002013

# Business Overview



Smartlink Network Systems Ltd. was one of India's leading networking companies in the field of IT, networking and surveillance products. It offered an integrated value proposition that includes design and development, manufacturing, sales and marketing, and service and support.

The Company's business has been restructured into three wholly owned subsidiaries, each with a strong focus in their line of business.

- 1. DIGISOL Systems Ltd.:** The Company is engaged in marketing of networking products within the domain of Converged Communications Solutions under the brand name DIGISOL.
- 2. Synegra EMS Ltd.:** The electronics manufacturing Company with its own state-of-the-art manufacturing facilities committed to implementing the government's "Make in India" mandate.
- 3. Telesmart SCS Ltd.:** The Structured Cabling products manufacturing Company with its own large scale state-of-the-art manufacturing facilities committed to implementing the government's Make in India mandate.

## DIGISOL SYSTEMS LTD.

### Nationwide Network

Digisol have a nationwide network of over 08 branch offices, 20+ regional distributors, 250+ stockist partners, 240+ system integrators and more than 5000+ resellers nationwide. It caters to customers across the value chain, from small and medium businesses to large enterprises, spanning a wide diversity of verticals.

### The DIGISOL Product Portfolio

DIGISOL offers a wide range of over 150 networking products across the IT networking spectrum. A nationwide customer base is served by 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
- ◆ Enterprise Wireless
- ◆ IP Surveillance
- ◆ Structured Cabling

DIGISOL has a strong team of certified engineers in place to provide customers with prompt technical support, pre-sales and post-sales. DIGISOL's 'future ready' products offer unmatched benefits such as lower network ownership costs, enhanced productivity, total reliability and easy scalability.

### Home Segment

DIGISOL maximizes the customer's internet experience anywhere in and around his premises with its wired and wireless networking products.



DIGISOL wireless products make possible connectivity of smart TVs, desktop computers and gaming systems to the internet for optimum speed. A wireless internet connection sustains the link anywhere within the premises, allowing free movement. In other words, the Internet follows the user, and keeps up with him. Downloading of music, videos and

photos as well as gaming are enabled 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, AC routers, wireless 3G and 4G compatible routers, wireless adapters and wireless range boosters.

### SOHO Segment

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