

SMARTLINK HOLDINGS LIMITED

(Formerly known as Smartlink Network Systems Limited)

Annual Report **2017-18**

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 individual businesses 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.



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Chairman's Message



K. R. Naik,
Executive Chairman

“We are evolving our organization so that we can move rapidly to take advantage of changing opportunities in the marketplace.”

Dear Shareholders,

The year under review was a challenging one, not just for us but for the entire industry. Just as the Indian economy was settling down after the disruption caused by demonetization, the government announced the introduction of the long awaited Goods & Services Tax (GST) from 1st July, 2017. The new tax regime, termed by many as India's biggest tax reform since independence, is founded on the concept of 'one nation, one market, one tax'. As expected, there were teething problems and the implementation went through after several rounds of modification and rationalization.

But I do believe that in the long run, this would be a game changer for the Indian economy and the government deserves to be applauded for its wisdom and courage in implementing this. GST will boost competitiveness and the performance of India's manufacturing sector. The compliance burden will ease and logistics, e-commerce, IT, ITeS, Telecommunications, startups, will all

benefit in good measure. It will also lead to lesser tax evasion.

The introduction of GST, however, had a significant short-term impact on the top line of most companies. In our case too, our consolidated revenues from operations declined from ₹ 10,373.82 lakhs in FY 2017 to ₹ 9742.33 lakhs in FY 2018. The Company posted a Consolidated Loss after Tax of ₹ 322.27 lakhs as compared to Consolidated Loss after Tax of ₹ 971.25 lakhs during the previous year.

The other significant feature of the year was consolidation. As you are aware, the company had undertaken a major restructuring exercise where by Smartlink Holdings Limited became a holding company along with three subsidiaries viz. Digisol Systems Ltd. (DIGISOL), Synegra EMS Ltd (SYNEGRA) and Telesmart SCS Ltd (TELESMART). This restructuring exercise was

carried out to adequately focus on each of the businesses of the company. Smartlink Network Systems Ltd. has been rechristened as Smartlink Holdings Ltd. (with effect from 18th April 2018) and has obtained the certificate of registration as a Non-Banking Financial Company (non accepting deposits) on 2nd May 2018.

Let me explain to you the Main Activities of these three subsidiaries - Digisol Systems Ltd. is a Products company with sales, marketing & support in Active & Passive range of DIGISOL BRAND Networking Products. The DIGISOL brand has been well established since 2010 and commands much respect in the marketplace.

During the year, we streamlined operations of DIGISOL and it now has excellent Engineering Teams in sourcing, testing, & supporting full range of products in Active & Passive products. During the year under review, DIGISOL introduced many new products in the active range like GPON, wireless AC routers, industrial switches and a range of solderless Keystone and patch panels in its passive range. DIGISOL will continue to broaden its offerings to capture expanding market opportunities, while continuing to transform itself to serve the needs of its customers and building its brand.

SYNEGRA is active networking and electronic products manufacturing Company, having excellent components sourcing Team. It has SMT lines, Assembly lines, Testing lines geared up to manufacture products like Routers to high end Switching Products. Currently, it supplies products to DIGISOL Systems and going forward will be manufacturing for other brand companies in India and abroad.

TELESMART is Passive Networking Products manufacturing Company in copper & fiber. It has exposure in Technology having partner with more than 2 decades of experience. We have developed locally solder less Keystone and 90 Degree Patch Panel and have excellent export potential. It has full Assembly lines in Copper

and Fiber. Many of the products are tooled up for manufacturing from local vendors. Presently products are marketed by DIGISOL Systems Ltd. going forward will be exported outside India.

The Government's 'Make in India' initiative augurs well for SYNEGRA and TELESMART and we look forward for high growth.

The three subsidiaries have distinct identities and a sharp focus in their respective businesses. This will enable us to concentrate better on manufacturing as well as marketing of products and solutions for our customers. It will also enable each subsidiary to be innovative and have its own strategy in areas like product development.

I am confident that our new structure will improve our competitive position and increase our efficiency. We are evolving our organization so that we can move rapidly to take advantage of changing opportunities in the marketplace.

We continue to maintain our commitment to be a responsible company and a good corporate citizen and implement sustainable practices and support educational, environment and other initiatives.

I must express my sincere thanks to our shareholders for the confidence reposed in us and to my colleagues on the Board for their continued guidance. I am also grateful to our customers for giving us an opportunity to serve, to the employees of Smartlink and its three subsidiaries for their unstinted dedication and all our stakeholders for their whole hearted support in our endeavours.

Thanking you,

Yours sincerely,

K.R. Naik
Executive Chairman

Business Overview

Smartlink Holdings Ltd. was formerly known as Smartlink Network Systems Ltd. which was in the Networking Products business for more than three decades and involved in manufacturing, sourcing, sales and marketing, support, etc.

Now, Smartlink Holdings Ltd. is an NBFC with assets, cash and investments including investment in three individual companies.

Smartlink Holdings Ltd. has been restructured into three subsidiaries, each with a strong focus in their line of business.

- 1. DIGISOL Systems Ltd.:** DIGISOL Brand Networking Products Company with teams for engineering sourcing, sales & marketing and support and service across India. It has a full range of Active and Passive networking products.
- 2. Synegra EMS Ltd.:** Active Networking Products EMS/ODM Manufacturing Company with teams for component sourcing and manufacturing. Its facilities include SMT lines, Assembly & Testing lines, etc. at Verna Industrial Estate, Goa.
- 3. Telesmart SCS Ltd.:** Passive Networking Products Manufacturing Company (ODM) in copper and fiber range with facilities that include Assembly & Testing lines at Verna Industrial Estate, Goa. It has an engineering team for design and development of Copper and Fiber Products along with a component sourcing team.

DIGISOL SYSTEMS LTD.

DIGISOL Systems Ltd. is a wholly owned subsidiary of Smartlink Holdings Ltd. and is a leading player in the Active & Passive Networking Products line under DIGISOL Brand.

DIGISOL was first launched as an active networking products brand of Smartlink Holdings Ltd. in the year 2010.

DIGISOL has set a new benchmark in the Converged Communication Systems space by offering a wide range of products across the IT networking spectrum that includes Active Networking as well as Structured Cabling Solutions. Thus, we say with pride that DIGISOL offers a portfolio of end-to-end networking products and solutions.

DIGISOL is committed to the **“MAKE IN INDIA”** initiative of the Government of India and most of its best selling products, like ADSL Routers, Broadband Routers and Switches are made in India by the group Company, SYNEGRA.

DIGISOL has been able to build a name for itself in the Active Networking Products market, thanks to Smartlink Holdings Ltd.'s legacy built on quality products, PAN India distribution and excellent after sales service.

The range of DIGISOL Active Networking Products include:

- Broadband and ADSL Routers
- 4G/3G Routers and USB Dongles
- Switching: Unmanaged, Semi managed, Managed and Chassis
- Enterprise Wireless: Indoor & outdoor
- IP Surveillance: Dome, Bullet, Pan-Tilt, NVR
- GEAPON, GPON



SMARTLINK GROUP OF COMPANIES:

DIGISOL

Headquartered in Mumbai, focuses on Sales and Marketing of DIGISOL brand of Active Networking and Structured Cabling Products.

SYNEGRA

With its facility based in Goa, manufactures Active Networking range of products for DIGISOL & also provides contract manufacturing services to other companies who wish to enjoy significant benefits of local manufacturing.

TELESMART

Manufactures Structured Cabling products of Copper and Fiber at it's Goa Facility.

DIGISOL Structured Cabling Solutions

DIGISOL introduced the range of Passive Products under DIGISOL brand last year. The range of DIGISOL Passive Networking Products include Copper, Fiber as well as FTTH solutions.

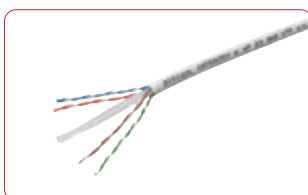
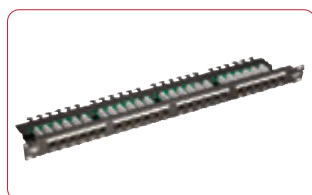
Products adhere to EIA/TIA and ISO/IEC international standards. RoHS compliant products are backed by international 25 years product warranty performance. With its strong presence in SMB & Enterprise, DIGISOL works with regional and national SIs for enhanced presence in large scale projects.

DIGISOL's Structured Cabling Systems fulfill the network connectivity needs of medium to small businesses and home networks.

90% of products are manufactured in India by TELESMAST SCS Ltd.

Structured Cabling Product Range

- COPPER range of products includes all types of Keystones in Cat 5e, Cat 6, Cat 6 A, all types of Patch Panels in CAT 5E, Cat 6 and Cat 6A, all types of Solid Cables, Multi Strand Cables, Patch Cords and Face Plates.
- FIBER range of products include all types of Cables, Patch Cords, Pig Tails, LIU's and range of Adapters.
- FTTH range of products include Splitters, FDB's, Fiber Output and ODF's.



DIGISOL Nationwide Reach

Our unique distribution system comprises of 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.

- 7 Branch Offices in India
- 64 Service & Support Centres
- Level 4 Support from Factory

Unique Distribution Setup

- 20+ Regional Distributors
- 250+ Stockist Partners
- 222+ System Integrators
- 5000+ Resellers

DIGISOL Awards & Recognitions



Innovative Passive Networking Products Brand Award
NCN-Special Award 2017



BEST FTTH CPE' Award
NCN-Editors Choice 2017



Best Make In India Wi-Fi Company Award
at My India Wi-Fi Summit & Awards 2017



Best Innovation in SCS Products
VARINDIA Star Nite Award 2017



Best Quality Structured Cabling Brand
DT Awards 2017



Best Make In India Wireless Router Brand
DT Awards 2017

SYNEGRA EMS LTD.

Synegra EMS Ltd. is Smartlink's wholly owned subsidiary and engaged in the business of EMS/ODM manufacturing of a wide range of electronic and networking products for DIGISOL as well as for other Brand companies. Synegra is the ideal choice for companies looking to manufacture their electronic products in India.

SYNEGRA being a 100% subsidiary of Smartlink has over three decades of experience in manufacturing electronic products for the IT Networking and telecom industries. Its state-of-the-art manufacturing facility at Goa is highly flexible and versatile, and geared for delivering products of global quality.



- ISO 9001:2008 and ISO 14001:2004 certified plants with highly versatile SMT lines
- Production shop floor area of 27,000 sq. ft.
- World-class manufacturing setup with dust-proof and humidity-controlled environment
- SMT setup with unique integration
- The latest technology in equipment such as 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 consistently deliver

TELESMART SCS LTD.

Telesmart SCS Ltd. is a subsidiary of Smartlink Holdings Ltd. and is engaged in the business of manufacturing a wide range of Passive networking (SCS) products.

The focus of the Company is in the manufacture of various structured cabling products in both copper and fiber range as ODM supplier to DIGISOL and other Brand Companies.

Telesmart's cabling portfolio includes end-to-end cabling solution (Cat 5e, Cat 6 & Cat6A), Patch Panels, Patch Cords. The fiber range includes fiber patch cords and pigtails, etc. The Company has state-of-the-art production lines for copper and fiber manufacturing designed as per lean concept. It has also set up a Clean Room for Fiber Patch cord manufacturing, where Fiber Cords are manufactured under controlled temperature and clean environment.



Board of Directors



K. R. Naik, Executive Chairman

Mr. K. R. Naik is the founder of Smartlink Holdings Ltd. (formerly known as Smartlink Network Systems Limited). He joined the Company as the Director on 31st March 1993. His vision is to make the group companies the premier technology Companies 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 Post Graduate Diploma in Industrial Engineering from Jhunjhunwala College & Diploma in Business Management from Jamnalal Bajaj Institute of Management, Mumbai. He started his career with IBM India in development & sourcing of parts of Data Processing Machines in IBM Mumbai Plant. He is also a former President of MAIT.

Arati Naik

Arati Naik has been appointed as the Chief Operating Officer of the Subsidiary Company, Digisol Systems Limited and involved in managing DIGISOL business and defining strategies for the products business. She is Graduate in Computer Science and Post-Graduation in Business & Information Systems from The University of Bolton, UK and alumni of IIM Bangalore, having done an executive general management program.



K. M. Gaonkar

Mr. K. M. Gaonkar possesses a Masters Degree in Science from UDC Mumbai and has 31 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.

Pradeep Rane

Mr. Pradeep Rane is a science graduate and has over 33 years of experience in Sales, Marketing, Strategic Planning and overall Business Management with the Pharmaceutical industry.



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. He has more than 41 years of experience in management, including 35 years with the Tata Group with the last 14 years at Tata Consultancy Services Ltd (TCS).

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 32 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 22 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 Managing Director.



Pradeep Pande

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